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Traffickers in Women Find a Rich Source in Slavic Lands

By Michael Specter New York Times Service

RAMLE, Israel - Irina always assumed that her beauty would somehow rescue her from the poverty and hopelessness of village life. A few months ago, after answering a vague ad in a small Ukrainian newspaper, she slipped off a tour boat when it put in at Haifa, hoping to make a bundle dancing naked on the tops of tables.

She was 21, self-assured and glad to be out of Ukraina Israel offered a new good.

Ukraine. Israel offered a new world, and for a week or two everything seemed possible. Then, one morning, she was driven to a brothel, where her boss burned her passport

before her eves.

"I own you," she recalled his saying. "You are my property, and you will work until you earn your way out. Don't try to leave. You have no papers and you don't speak Hebrew. You will be arrested and deported. Then we will get you and bring you back.'

It happens every single day. Not just in Israel, which has deported nearly 1,500 Russian and Ukrainian women like Irina in the last three years. But throughout the world, where selling naive and desperate young women into sexual bondage has become one of the fastest-growing criminal enterprises in the robust global econ-

The international bazaar for women is hardly new, of course. Asians have been its basic

commodity for decades. But economic hopelessness in the Slavic world has opened what experts call the most lucrative market of all to criminal gangs that have flourished since the fall of communism: East European women with little to sustain them but their dreams.

Pimps, law-enforcement officials and relief groups all agree that Ukrainian and Russian omen are now the most valuable in the trade.

Because their immigration is often illegal and because some percentage of the women choose to work as prostitutes -- statistics are difficult to assess. But the United Nations estimates that 4 million people throughout the world are trafficked each year - forced through lies and coercion to work against their

will in many types of servitude. The International Organization for Migration has said that as many as 500,000 women a year are trafficked into Western Europe alone.

Many end up like Irina. Stunned and outraged by the sudden order to prostitute herself, she simply refused. She was beaten and raped be-fore she succumbed. Finally she got a break. The brothel was raided, and she was brought here to Neve Tirtsa in Ramle, the only women's prison in Israel, Now, like hundreds of Likrainian and Russian women with no documents or obvious forgeries, she is waiting to be sent home. "I don't think the man who ruined my life

See SEX SLAVERY, Page 7

Pro-Democracy Forces In China Get a New Voice

Ex-Official Says Essay Reflects a Wide (if Quiet) View

By Steven Mufson
Washington Post Service

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BEIJING - Just two months after Wei Jingsheng, China's leading dissident, agreed to go into exile, another voice has joined China's small pro-democracy chorus. This time, however, it's a businessman and former middlelevel government official who claims that his views have a substantial, though still anony-

mous, following in the Communist Party itself.
Fang Jue, a 44-year-old former deputy director of the planning commission of the coastal city of Fuzhou, has co-written and distributed an essay advocating elections for all levels of government including the presidency, freedom of the press and religion, relaxed oversight of social associations, an end to party control of the military, a reversal of the negative verdict on the 1989 Tiananmen Square demonstrations, negotiations with the Dalai Lama, a further opening of the economy to foreign companies and market competition, and a pro-American foreign policy.

Mr. Fang says that the essay — labeled "The Democratic Faction's Program Proposals" — is the culmination of a series of discussions with manist Party, including Central Committee mem-bers, who were disappointed with the absence of political reform initiatives during the 15th party congress in September. He said it represented a synthesis of views, not just his own.

But in an indication of just how remote the proposed freedoms are from the current China, not a single one of those people other than Mr. Fang has been willing to add his or her name to the proposals because of the danger it would pose to their careers within the party and the

'On the surface Chinese society is calm, and within the party and government everyone conforms," Mr. Fang said in an interview in Beijing.
"The deeper reality is that many of the young and middle-aged officials are deeply dissatisfied with the situation and flaws of policies in

Mr. Fang is the latest of a series of intellectuals to issue public calls for radical political reform in the last six months. Others have included an economics professor at Beijing University, a former government economist and a longtime dissident physicist.

Quake in China Leaves Thousands Homeless



A woman weeping Sunday in front of her destroyed house in Hebei Province. The

pro-democracy members of the Chinese Comearthquake killed at least 50 people and injured more than 11,000. Page 4. See DISSENT, Page 4

Rich and Poor: Europe's Social Rifts Break Through in France By John Vinocur

PARIS - The occupation by unemployed workers of French job-service offices has exposed signs of unrest within a new underclass whose emergence has wide implications for the

More than just a 1998 mutation of a classic labor dispute, the conflict involves the awakening of a marginalized segment of society that has begun to articulate a view of its isolation beyond what once were the adequate and protective walls of a modern European welfare state.

police intervention to clear the occupied employment centers, the protesters have referred to themselves less as job-seekers than as "the poor,"

NEWS ANALYSIS

revolting against their have-not status in a society of record stock market results, lavish Christmas bonuses and devastating unemploy-

Over the last two weeks of protest, traditional union representatives have been rejected as symbols of the status quo, and politicians from both

ises of new funds, couched in statements that France has inadequate revenues to meet all the demonstrators' cash demands, were brushed aside with the response that the time had come to

With France as a beliwether, the European conceit that its welfare states were decent and wealthy enough to provide adequate living stan-dards and self-respect for everyone was under challenge through the government's acknowledgment that it could no longer afford to radically improve the lot of the unemployed and semijobless, and by the protesters' awareness

for by the old rules. With variations, France, Germany and Britain shared similar circumstances. All faced the prospect of growth in 1998 at levels below original projections, partly as a result of the Asian crisis; and all had to operate in line with the budgetary strictures, limiting deficit spending, imposed by the Stability Pact of the European Monetary System. This meant that without new job creation, all three of Europe's leading countries

See HAVE-NOTS, Page 7

would encounter exponential difficulties in re-

Protestants Claim

The hard-line Loyalist Volunteer

Force, a pro-British guerrilla group,

took responsibility on Sunday for the

killing of a Belfast nightclub door-

In a statement issued to the press,

the group said the shooting was in

direct response for the recent Maze

prison murder of its leader, Billy Wright

The dead man, Terence Enright,

The Loyalist Volunteer Force is

Killing in Ulster

See ASIA, Page 13

Cable-TV Chief Sets Up **Deal to Tame Microsoft**

By Geraldine Fabrikant and John Markoff New York Times Service

NEW YORK - John Malone, chairman of Tele-Communications Inc., believes he can succeed where both International Business Machines Corp. the Life and the United States Department of Justice have so far failed.

sumer Electronics Show in Las Vegas this weekend, Mr. Malone has unveiled a plan that is designed to rein in Microsoft Corp.'s resumed to rein in Microsoft Cor In two deals announced at the Concrosoft Corp.'s power and fuel the dynamic economic growth that the cable

industry has been seeking.

By using Sun Microsystems Inc.'s terweight to a consumer version of Mi-Java programming language as a coun-Mr. Malone is attempting to relegate Microsoft to the same status as his other

vendors. But it is a risky gamble.
Industry executives in Las Vegas this weekend said the cable-industry infight-ing reminded them of the early days of 1 Kills 11 Mark 10 the personal computer industry. In 1981, IBM initially offered PC buyers

three competing operating systems: Microsoft's MS-DOS, Digital Research Corp.'s CP/M, and UCSD Pascal.

Consumers quickly selected on the lowest-cost alternative: Microsoft's operating system was the least expensive option, and it quickly became the stan-

Newsstand Prices						
Andores	10.00 CF 10.00 CF 12.50 FF 12.50 FF 12.50 FF 11.00 CF/ 12.50 Dir 10.00 Dr					

dard that attracted the broadest selection

of software applications. Despite his efforts to create a more competitive marketplace, Mr. Malone may have unintentionally repeated IBM's mistake this weekend.

"Think of this as a poker table where most of the chips say Windows, and William Gates is now holding them," said Richard Doherty, president of Envisioneering Inc., an industry consulting firm based in Seaford, New York. In Mr. Malone's vision of the future interactive cable industry, the line between traditional television channels

and personal computer software applications will rapidly be blurred. For example, while watching the History Channel, a television viewer, theoretically, will next year be able to use a handheld clicker to select a character on the screen and call up a box with additional information via the Internet. Or while watching an advertisement, a

See MICROSOFT, Page 13

viewer will be able to click a button and

purchase the product on impulse.

TURNOVER - Levon Kirkland, No. 99, of the Steelers intercepting a pass Sunday. But the Broncos won the AFC Championship. Page 18.

not against peace, but not peace at any price," the statement said. was a relative of Gerry Adams, the Republican leader. Page 4.

AGENDA

PAGE TWO Taleban Runs Afoul of U.S. Feminism INTERNATIONAL Washington Warms to Iran Proposal Opinion .

In Flurry of Activity, Clinton Aims to Fill Policy Void

By Peter Baker and John F. Harris Washington Past Service

WASHINGTON — With a spurt of initiatives in recent days. President Bill Clinton has moved ag-gressively into the policy void in Washington hoping not only to reinvigorate his presidency, but also to repair his fractured relations with fellow Democrats and outflank Republicans heading into a mid-term

The activist agenda Mr. Clinton has laid out for 1998 reaches out to multiple constituencies, from the early retirees who would be allowed into Medicare to the young parents who would receive more help with child care. Taken as a whole, his new domestic program begins to move away from the carryover issues of his first term and attempts to provide a sense of direction and purpose for his second.

Rankled by the criticism that he had slipped into a

State of the Union Message from a single prime-time speech into a month of rapid-fire announcements.

Each day, the president is pushing forward on some new front, whether it is toughening food inspection,

NEWS ANALYSIS

bolstering AIDS treatment, expanding the Peace Corps or promoting pension tax breaks.

Yet the strategy risks giving the impression of a return to big government, a danger Mr. Clinton tried to temper by again borrowing a Republican idea and vowing to balance the federal budget next year for the first time in three decades — three years earlier than envisioned in the congressional deal signed last sum-

Al From, president of the centrist Democratic Lead-

malaise three years before leaving office, Mr. Clinton and his aides have transformed the agenda-setting was "seize control of the debate." He added, "By was "seize control of the debate." He added, "By moving on the balanced budget first, he created a context for every part of the debate. And that's important because we want to stand for activist gov-ernment with fiscal restraint."

To the extent that is true, the president may have found a unifying formula for a divided party, something he has not provided since the early days of his administration in 1993.

Even as moderates like Mr. From hail the accelerated elimination of the deficit, liberals like Representative Dick Gephardt, the House minority leader, have embraced his approach as well, not only because it addresses favored social causes, but also because it sets up likely confrontations with the Republicans that can be taken into the campaign. Indeed, some in

See CLINTON, Page 3

IMF Reports Progress in **Negotiations** With Jakarta

Major Construction Projects Delayed as Gesture on Eve Of U.S. Delegation's Arrival

By Michael Richardson

SINGAPORE — Negotiations to resolve Inlonesia's financial crisis have started well, the International Monetary Fund said Sunday, following several hours of talks with a high-level Indonesian government panel and an announcement that President Suharto had ordered major construction projects valued at billions of dollars to be delayed or reviewed.

Emphasizing the urgency of its mission, the IMF team, led by First Deputy Managing Director Stanley Fischer, met key Indonesian cabinet ministers soon after arriving in Jakarta.

It is starting fine. We are making progress, Mr. Fischer said after three hours of discussion

 Opposition leader urges Suharto to quit. Page 4. • Taiwanese business executives are on the prowl for bargains. Page 11.

on what he said was Indonesia's "entire reform program and how to move ahead with it."

He did not give details, but analysts said that the Suharto government still had to persuade the IMF, a U.S. government delegation that is to arrive Monday in Jakarta, as well as the markets that it was prepared to push ahead with politically painful steps to revive investment.

Failure to do so, the analysts said, would send the Indonesian currency and stocks into free fall again, and probably cause a default on huge foreign loans by heavily indebted Indonesian companies that would have serious repercussions on the fragile financial systems of two other IMF loan recipients - South Korea and Thailand — as well as Japan, the largest single creditor to Indonesia.

Mr. Suharto, whose continued rule has been called into question by the crisis, came under new pressure Sunday to accelerate reforms prior to the arrival of the U.S. delegation, headed by Deputy Treasury Secretary Lawrence Sum-

[Mr. Summers met for four hours Sunday night with officials from Singapore's Finance and Foreign ministries, and with Senior Minister an tew, on the tarst stop of his tour of Asia, Bloomberg News reported early Monday.

["We are here on behalf of the president to consult with countries in the region on economic policy, and to urge that sound policies be taken that can promote confidence and stability," Mr.

Prime Minister John Howard of Australia telephoned the Indonesian leader to urge him to proceed with IMF-approved measures. Indonesia's official Antara press agency reported.

In Tokyo, the European trade commissioner,

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Fresh Warnings That U.S. Risks Asian Backlash

By Michael Richardson International Herald Tribune

SINGAPORE - Senior officials of the United States and the International Monetary Fund started crucial talks in East Asia on Sunday that they hope will help settle the region's financial crisis, but the harsh economic policies they advocate could trigger an anti-American backlash that will create dangerous instability in Asia, former U.S. officials and other analysts warned.

Many East Asian leaders, including those in the most seriously troubled economies — Indonesia, South Korea and Thailand — have expressed support for the higher interest rates and taxes, cuts in government spending and cleanup of the financial system that the IMF and the United States prescribe.

But there is increasing concern among Asian and Western critics of this reform and austerity program that its byproducts — bank and company clo-sures, large-scale layoffs, rising social and political unrest, and loss of national cohesion and self-confidence — could ignite virulent anti-Americanism.

Such a development would undermine support for a continued U.S. military presence in East Asia just when it is most urgently needed to buttress regional peace and security, analysts said.

For now, Asians appear to blame

their own governments, banks and businesses," said David Hitchcock, a former U.S. diplomat with extensive experience in East Asia. "But if the harsh measures only now sinking in lead to many more bankruptcies, business closings and layoffs, the blame could swing across the Pacific.

In a speech to the World Affairs Council in Seattle on Friday, former Secretary of State Henry Kissinger warned that an anti-American backlash could sweep Asia because of the stringent economic measures imposed by the Fund as a condition of its multibillion-

See BLAME, Page 4

Afghans' Treatment of Women Leaks Into Pipeline Deal

By Dan Morgan and David B. Ottaway Vashington Post Service

ASHINGTON — In early December, four bearded and turbaned Afghan clerics dressed in tradition al baggy pants stepped from a heli-copter onto an oil rig in the Guif of Mexico operated by Unocal Corp., a huge, California-

based global energy company.

Representing the ultra-conservative Taleban militia that controls most of Afghanistan, the mullahs inspected the latest deep-water drilling technology, ate a meal prepared according to Islamic rules — a gesture arranged by their corporate hosts — and headed back to the mainland for further meetings with their new business associates from Unocal

This improbable partnership between a modern American corporation and a militant Islamic group with social views often described as me-dieval has become entangled in U.S. strategic policy and domestic politics.

The Taleban and Unocal want to build a \$4.5 billion pipeline carrying Caspian Sea oil and gas across Afghanistan to the Indian subcontinent. The Clinton administration supports the route, which would help free the new nations of Central Asia from dependence on Russia, avoid alternate routes across Iran and bring needed energy to Pakistan and India.

Yet in a vivid illustration of the new political complexities of the global economy, that foreign policy vision has butted up against a domestic obstacle: the ourage of women's organizations over what they call "gender apartheid" — the Taleban's barring of women and girls from schools, hospitals and public places.

Such groups as the Feminist Majority and the National Organization for Women have mo-bilized to prevent the administration from recognizing the Taleban government unless it radically changes its treatment of women. Without that recognition, international lending institutions are unlikely to finance the project and Unocal's plans will be stymied, State Department and company officials said.

The impasse also reflects an emerging pattern in which U.S. policy toward Central Asia, site of the world's largest untapped oil and gas reserves outside the Middle East, must heed powerful grass-roots constituencies at home.

Armenian-American organizations, for example, oppose U.S. assistance to Armenia's oilendowed enemy, Azerbaijan. Pro-Israeli groups lobby in Washington to prevent Central Asian oil and gas from passing through Iran, viewed by Israel as its most dangerous enemy. And human rights advocates in the United States have begun questioning U.S. support for autocratic regimes

But in the case of the trans-Afghan pipeline, it

is activist American women repelled by the Taleban who may hold the key.

'I don't remember us organizing on an international issue like this before," said Eleanor Smeal, who heads the Feminist Majority, a nonprofit political action group with 30,000 mem-

The efforts include organizing protests outside the embassies of Afghanistan and Pakistan, mobilizing women's groups across the United States to pass resolutions condemning the Taleban, lobbying Congress and the United Nations and meeting with State Depart-ment and White House of-

American, Afghan and European women's groups also are working to make the Taleban's treatment of Afghan women the focus of International Women's Day on March 8. And Unocal has been pressed to make room Afghan women in pipeline construction trainng programs.
The passions aroused

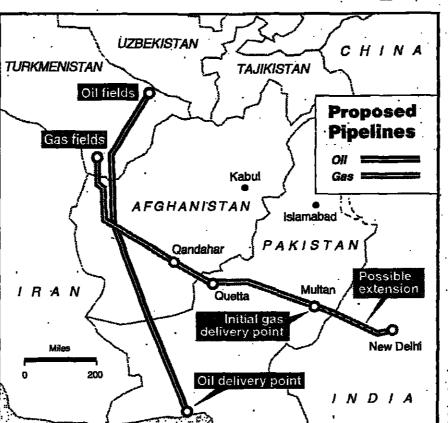
have created a political dilemma for the Clinton administration as ,it balances

foreign policy interests against political considerations. President Bill Clinton and Vice President Al Gore campaigned aggressively on the issue of violence against women in 1996, and women have voted far more heavily than men for Democratic candidates in recent national and

Some conservative Republicans also have be-gun criticizing the Taleban in what political analysts said was an effort to polish the party's image with women alienated by its anti-abortion

Secretary of State Madeleine Albright and Hillary Rodham Clinton have condemned the Taleban's policies toward women. In November, Mrs. Albright deplored "their despicable treatment of women and children and their lack of respect for human dignity, in a way more reminiscent of the past than the future."

But administration officials have left the door open to working with the Taleban if certain conditions are met, including reconciliation with opposition factions still controlling the northern third of Afghanistan.



Karl Inderfurth, assistant secretary of state for South Asian affairs, said in an interview: "The Taleban will not change their spots, but we do believe they can modify their behavior and take into account certain international standards with respect to women's rights to education and em-

GAINST this uncertainty, Unocal, a company with worldwide operations, has pressed ahead on several fronts. In late October it announced the formation of an international consortium to build a 1,250-kilometer gas line from Turkmenistan to Pakistan, which would cross Taleban-controlled territory in Afghanistan. Turkmenistan has ap-proved Unocal's plan, and Pakistan wants to buy

the gas.
In November, Unocal began training Afghans to build the line.

The Taleban stands to collect \$50 million to \$100 million a year in transit fees if the pipeline is built, according to Marry Miller, a Unocal vice

Unocal and its main partner, the privately owned oil company Delta, in Saudi Arabia, also have been involved in behind-the-scenes diplomatic efforts to make peace between the Taleban and its remaining opponents in northern Afghanistan, said congressional and other sources. The goal, they said, was to create conditions for a broad-based government that could win formal recognition from the United States.

The Taleban's takeover of the Afghan capital of Kabul in September 1996 initially was welcomed cautiously by the U.S. administration. A senior Unocal executive pronounced the takeover a 'very positive" development that would provide the fractured country with "a single government

The chief Taleban repre-sentative in the United States, Abdul Hakim Mu-jahid, has dismissed the furor over the militia's treatment of women. 'Ninety-nine percent of Afghan women are supporting the Taleban policy toward women, 'he said, with resistance to that policy stemming from "only percent of Afghan women

tied to a communist style of liberation." Unocal officials initially resisted requests last year from women's and human rights groups to discuss Afghan issues.

"They were less than enthusiastic at first about meeting with us," said Lea Browning, an official with the Working Group on the Human Rights of Women. "It took them a little while to

understand the constituency we represent."
At a subsequent meeting in Washington with Unocal officials, delegates from the Working Group advocated including Afghan women in

the company's training program.

In mid-November, Unocal started a \$900,000 training program at the University of Nebraska at Omaha to train 137 Afghan men in pipeline-building skills. The program managers hope to begin training women for clerical jobs and support services this year, said Thomas Gouttierre, head of the university's Afghan studies center. head of the university's Afghan studies center.

Unocal also is financing several projects to train women as teachers in Taleban-controlled areas; the company said it intends to provide jobs to Afghan women as well as men.

Tanker Traffic In Bosporus **Raises Specter** Of Catastrophe

By Stephen Kinzer
New York Times Service

ISTANBUL — Before dawn Tuesday, winds from the Black Sea pushed a thick fog bank down the Bosporus, forcing officials to close it to all traffic. Giant oil tankers lined up at both ends

until the fog lifted in midafternoon.

The closing came three weeks after a Norwegian tanker carrying 30,000 tons of crude oil ran aground almost directly in front of a Bosporus mansion owned by former Prime Minister Tansu Ciller. Like most of the loaded tankers that use the waterway, it was headed for Western Europe from a Russian port on the Black Sea. This time, no cargo spilled.

Both episodes underlined growing fears here that, as huge amounts of oil and gas begin flowing from the Caspian Sea basin, tanker traffic through the Bosporus is reaching dangerous levels, Environmentalists fear the possibility of major oil spills or a catastrophic

explosion.
There have been more than 150 mishaps along the Bosporus in the last decade. In one of the most serious, an oil tanker collided with another vessel in 1994, resulting in the death of 28 seamen and a 15,000-ton oil spillage that burst into a spectacular fire. Some Turks believe these are only hints of what could come if the number of tankers passing through each day increased substantially from the current 10 or 12.

'You've got a very narrow waterway with treacherous currents and several sharp twists and turns," said Mustafa Aksin, secretary-general of the Black Sea Economic Cooperation Business Council. "The city of Istanbul is built right up to the shore on both sides. The vessels that pass through are increasing in size and number, and many of them are carrying lethal cargo. Add it all up and you see that a serious catastrophe is quite conceivable.'

The Bosporus is 27 kilometers (17 miles) long but only 640 meters (700 yards) wide at some points. In addition to serving as the sole connection between the Black Sea and the Mediterranean, it is a vital bridge for mi-

grating fish and other marine creatures. History and romance mix with geography and politics along the Bosporus. Jason supposedly led his Argonauts through it during their epic search for the Golden Fleece, and in 513 B.C. the Persian emperor Darius had a bridge of ships built across it so he could lead his army toward Greece. To this day it is lined with forts and palaces, testimony

to its strategic value.

As Turkish officials now seek to impose new restrictions on use of the Bosporus, their efforts are complicated by international agreements and highstakes geopolitical jockeying for the vast wealth represented by rich new oil and gas fields in the Caspian basin.

Under a 1936 treaty, Turkey may not interfere with transit through the Bosporus. Turkish officials strongly recommend, for example, that captains of for-eign tankers and freighters take on specially trained pilots to guide their vessels through the Bosporus. But they cannot make the use of pilots compulsory, as it is in the Panama Canal and other difficult waterways. Most serious accidents have involved ships without pilots.

Turkey also cannot require that tankers using the Bosporus have double hulls or other safety features. Nor can it insist that they carry enough insurance to cover the costs of any accident they might cause, or for that matter any insurance at all.

Conditions have changed tremendously since the treaty was signed in 1936," said Nihat Gokyigit, an Istanbul businessman who has written and spoken widely about the Bosporus.

Then there were only two vessels a day passing through the Bosporus; now there are 140," he said. "Tankers were 40 meters long then; now they're up to 350 meters. There has also been a huge increase in local traffic, with 1,500 small boats using the Bosporus every day. It has become the busiest waterway in the world, three times busier than the

Northeast U.S. And Quebec In Storm's Grip

Agence France-Presse

MONTREAL -- Thousands of people in eastern Canada and the northeastern United States huddled in emergency shelters early Sunday as they prepared to face another day of a deadly winter storm that has resulted in widespread power outages.

The storm has ravaged the region since Monday, toppling trees and power plylons. Eleven deaths have been blamed on the storm in Canada, and at least four in the United States.

Some 1.2 million homes in Quebec, sheltering 40 percent of the province's population, were without electricity and, for the most part, heat Saturday.

Snow and freezing rain also hit the northeastern Uniated States, cutting power to nearly 500,000 inhabitants of New Hampshire, Maine and Vermont. Over the last few days, as much as four inches (10 centimeters) of ice have accumulated, bringing down power lines and damaging millions of trees.

weather forecasters said. In Quebec, 30,000 people were spending the night at 273 emergency shelters throughout the province.

The American Red Cross said 1,290 people were being put up in 44 shelters. More than 5,000 people also lost their telephone service in New York state, In Maine 155,000 homes were without electricity, according to the Federal Emergency Management Agency.



HEAD START ON SPRING - Balmy weekend weather persuaded some of Washington's famed cherry trees that spring had come.

TRAVEL UPDATE

Asia Woes Could Close Hong Kong Restaurants

HONG KONG (Reuters) — Hong Kong, a city with 10,000 licensed restaurants, could see the closure of up to nine months as a result of an economic downturn and the Asian financial crisis, according to an industry expert.

Tommy Cheung, president of the Association of Restaurant Managers, told the South China Morning Post that the industry would fall into recession as a result of a fall in the local stock and property markets and the downturn in the economy and tourism industry.

We should see sales drop 10 to 15 percent in the fourth quarter (of 1997) compared with the same period in 1996," Mr. Cheung said. "And the first three months to six months of this year will be extremely bad."

Washington Obelisk Shuts for Restoration

WASHINGTON (NYT) — The Washington Monument closed Sunday for four months as part of a restoration project expected to last at least two

The first phase will involve the modemization of the air-conditioning and heating systems, as well as the 40-yearold elevator, which takes visitors to the observation deck. As designated by federal law, the 555-foot (170-meter)

monument is the tallest building in the city, and its views attract about a million visitors a year.

Once the interior remodeling is completed, the monument will reopen to the public. The second phase will focus on the exterior. Steel scaffolding, sheathed in a transparent blue fabric whose pattern will mimic the masonry, will surround the obelisk. The intent is to spruce up what might otherwise be an eyesore on the Washington Mall, the stretch between the Capitol and the Lincoln Memorial.

Snow dusted the ancient domes of Jerusalem and Damascus on Sunday as a blast of cold weather buffeted the region. Snow fell on the gold dome of the Omar mosque on the Temple Mount of Jerusalem's Old City but quickly melted. In higher areas of the city like Mount Herzl, snow stuck briefly before melting.

Damascus got its first snow of the winter as snowfalls were reported in the Syrian mountains.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays: MONDAY: Colombia, Sri Lanka, Tanzania,

TUESDAY: Puerto Rico, Togo WEDNESDAY: Sri Lanka. THURSDAY: Japan, Malawi. Sources: J.P. Morgan, Bloomberg

WEATHER Have Stocks Topped? Stocks Will Have a Bear Market. In this Tuesday's

Milan Menswear

Shaping up to the New Season

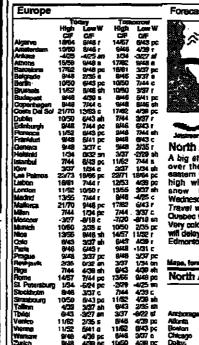
Herald Tribune

THE WORLD'S DAILY NEWSPAPER



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North America A big storm will wind up over the Maritimes and eastern Quebec, bringing,

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In Bospon. Independent Interest Groups Outspending the Candidates on Political Ads

SANTA BARBARA, California poised to spend large sums on adver- show. It's going to be rolling the dice who last year set up an anti-abortion tising to influence elections this year that Republicans and Democrats alike fear the candidates may find themselves playing bit parts in their own cam-

paigns.
The first congressional campaign of coast, offers a preview. Flip on the television or radio and it sounds in the advertising as if the contenders in a vertisements. special election Tuesday want to talk about term limits or abortion.

But the candidates themselves insisted in interviews that they would prefer to debate other issues, like education and taxes.

Instead, many commercials and di- paigns. rect-mail drives are being orchestrated "Is this the future of campaigns?"

asked Tom Bordonaro Ir., a Republican pect this to be a pivotal year in which state assemblyman who is seeking the groups from both left and right transform federal government may not limit how ground; it can be difficult to trace on cause there are no other campaigns and, seat. "Pretty soon, all we're going to politics by dominating have to do is file and sit back and let all around the country. So many independent interest groups are these independent expenditures run the whether you get into office or not."

didate, these groups find that they have the district this weekend to help Mr. rector of the Democratic Congressional course. They can also skirt federal con-1998, here on the central California tribution limits and disclosure regulations by trying to help (or, more often, hart) a candidate with their own ad-

> Spending by these groups rivals candidates own television budgets.

> Their commercials frequently name candidates directly and are often difficult to distinguish from those written, produced and paid for by the cam-

Interest groups were instrumental in by outside groups whose officials know nothing about Santa Barbara except what they might have seen in the defunct television soap opera bearing its name. of the groups themselves said they ex-

politics by dominating races at all levels

Gary Bauer, a prominent conservative didates are working together.
"Our sense is that both parties will organization, the Campaign for Working engage in running issue ads at all dif-By paying for their own commercials Families, said the group was pumping rather than donating directly to a can-\$100,000 into television commercials in said Dan Sallick, communications dimore control over the campaign dis- Bordonaro. Mr. Bauer said the special election here was only a precursor.

> abortion issue "a much higher profile through talking about the issues we care up to the candidate's consultants and and heir to a tire manufacturing forthan it would have had" in the race.

By dictating the agenda on the issues, these outside groups could bring about a committee was so concerned about the nationalization of elections that have traditionally been fought at the local level. Rather than argue over matters of time raising money so they can comintense concern to local voters, these groups encourage a bitter partisan debate on issues that may be of greater consequence in Washington.

Political parties have also been spurred to mount their own independent campaigns in the wake of a U.S. Su-

didates — unless the party and can- are financed.

ferent levels of the federal elections," Campaign Committee, which helps elect group advertising. Democrats to the House.

about most.

Yet Mr. Sallick said the campaign spending by these groups that it was urging candidates to devote even more

more aggressive in their fund-raising he said. "We want them to have the opportunity to get their message

By bypassing candidates' campaigns. special punch in the special election here District."

much the parties spend to help can-whose behalf they operate and how they thus, no competition for media attention.

increase in expenditures for issue ads for crat who died of a heart attack in October a number of reasons, but the first is that after just 10 months in office. they appear to work," said Larry Sabato, a government professor at the University of Virginia and an authority on interest

Secondly, there's no better way of managers to decide what issues to tune.

continued, "is it's a trend. The internal

energy builds on itself." He also said he believed many groups had turned to issue advertisements out of "We counsel a lot of candidates to be concern that efforts to change the campaign finance system would further limit

how much they could directly spend on candidates. The issue commercials may pack a

The contest is to complete the term of "We're bound to see a substantial Representative Walter Capps, a Demo-

The election is essentially an open primary, where voters can cross party

lines to make their choices. Mr. Capps's widow, Lois, is seeking to replace him. The other major canelection here was only a precursor.

"We intend in the months ahead to be in races all over," he said, adding that miliar with the law and will make an effort to run ads that benefit the party money directly to the candidate, then it's the race, and Brooks Firestone, a centrist money directly to the candidate, then it's and heir to a tire manufacturing for-

> The winner has to get more than 50 "And the third reason," Mr. Sabato percent of the vote or there will be a runoff.

"The independent expenditures give me the willies," Mr. Firestone said.
"We have a host of issues that need to he addressed by mature, intelligent people, and along come the outside groups who by sheer weight of money and emotion drive the debate on issues

that wouldn't otherwise involve the 22d

CORRALES

COSTA RICAN ELECTIONS — Jose Miguel Corrales, presidential candidate of the National Liberation Party, addressing supporters at a raity the country prepared for national elections Feb. 1. CLINTON: In Flurry of Activity, President Aims to Fill Policy Void Continued from Page 1

the enemy camp see the Clinton announcements as nothing more than a revival of oldstyle liberalism for the purpose of mollifying a disgruntled party caucus and crafting an election platform.

"It's a political year and he's trying to find common loosened the shackles that reground with the House and strained Mr. Clinton's expanfor re-election," said Ken- years. "We're seeing the reneth Duberstein, White ond term.

In some fashion, the past few weeks could be taken as tried to head off criticism that the true start of Mr. Clinton's the new-found activism second term.

January, 1997 turned out to be era of big government is over. ing them little to run on. a backward-looking year for The five-year, \$21.7 billion Mr. Clinton — on the de-fensive because of investiga-ample, relies heavily on tax tions into his 1996 campaign credits and block grants to fice that included Mr. Clinfund-raising activities and states—favored tools of conton; Mr. Gephardt; Vice consumed with cleaning up old issues, most notably by resolving the balanced-budget battle that dominated

his first term. With Washington's interest in campaign impropri-eties subsiding, the deficit all but eradicated and his poll numbers as strong as ever, Mr. Clinton hopes to have a second chance to promote progressive policies and ac- nature of the Medicare plan. tivist government.

had to give way to the emWhite House polling, Repubneed to find some larger sp
phasis on deficit reduction," licans are hoping the public battles to wage, but cautioned 27

said Laura D'Andrea Tyson, will focus instead on the to- that that approach would chief economics adviser in tality of Mr. Clinton's agenda backfire if taken so far that his Mr. Clinton's first term, who as evidence of his addiction to popularity suffered, officials argues that his philosophy has government. been consistent even as the Washington environment has

changed. Michael Franc, of the Heritage Foundation, said the end of deficit politics has Senate Democrats who are up sionist impulses in recent sult of the pent-up demand to crats, many of whom have cans. House chief of staff in Pres- have government be active been spoiling for a fight. than it's been." he said.

White House officials have amounts to a reversal of Mr. After his inauguration in Clinton's declaration that the himself but hurt them by leavservatives for enacting social change.

The Medicare expansion to early retirees as young as 62 and dislocated workers as young as 55 was designed to be cost-free by requiring those who opt in to pay their way. So sensitive to the matter are administration officials that they repeatedly emphasized the incremental

Recognizing that the indi-"There are things he can vidual ideas may prove pop-

"Taken together, these ideas represent a return to big government," said Ari Fleischer, Republican spokesman for the House Ways and Means Committee. "He set both parties up for a very fair fight over the proper role and size of government."

That is fine with the Demohave complained that Mr. Clinton, in his eagerness to split the difference with Republicans and pass compromise legislation, has helped

That debate over strategy was the focus of a pre-Christmas meeting in the Oval Ofleader, and Erskine Bowles,

White House chief of staff. With their eye on finding a way to recapture the House (the Senate appears out of reach to White House aides). the hour-long session concen- Republicans would be poorly trated on how much emphasis positioned to respond. to put on scoring policy achievements versus defining

Republicans in the campaign.

said later. He also said he has looked

at history and concluded that the best way to counter the "six-year itch" - in which voters punish a second-term president's party in Congress - is to keep his approval ratings high, which means finding areas where he can strike deals with Republi-

Still, what Mr. Gephardt reported back to colleagues pleased many because they believe Newt Gingrich, the House speaker, and his fellow Republicans will probably resist Mr. Clinton's Medicare and child-care plans, providing what they hope will be

potent issues. As they rolled out their domestic program piece by piece in recent days, White House officials acknowl-President Al Gore: Tom edged that they wanted to dis-Daschle, the Senate minority pel the perception that the president was out of ideas. With Congress away on an unusually long break, Mr. Clinton's aides calculated they would have the field to themselves and that absent

Indeed, they have made so much of the president's issues that can be used against agenda public that some aides privately moan they have Mr. Clinton agreed at the nothing much left to present tate of the speech to be delivered Jan.

> Last Wednesday night, Mr. Clinton convened more than a dozen scholars and authors at the White House for a mara-

thon discussion.

Much of the four-hour philosophical discussion, according to participants, centered on the role of government in the post-balanced budget age, globalization of the world economy and the president's initiative to promote racial reconciliation.

Benjamin R. Barber, a political scientist at Rutgers. said he came away convinced that Mr. Clinton was as engaged as ever.

Gore to Begin Raising Funds

POLITICAL NOTES

WASHINGTON - With one eye on the 1998 congressional elections and another on his ambitions to become president, Vice President Al Gore is preparing to form a political action committee to funnel money to Democratic candidates running for office in November.

Most of the money raised will go to Democratic candidates running this year, which in turn will help the vice president build support for his anticipated presidential campaign in 2000. But the move will draw attention to the issue that plagued him last year. He drew intense criticism for making fund-raising calls from the White House in 1996 and for attending a controversial fund-raising event at a Buddhist temple in California. (WP)

Moratorium on Logging Roads

WASHINGTON - The Clinton administration plans to suspend construction of logging roads in the back country of most national forests, a step that would effectively stop

logging on some of the most pristine public land.

Road building on millions of acres of forests could be affected, mostly in the Western states. Many of these areas contain virgin stands of timber, prime wildlife

habitat and pristine streams. Although some environmental advocates do not think the plan goes far enough, the proposal represents an opportunity for Vice President Gore to enhance his standing in one of his core constituencies.

Ferraro Set to Work the Phones

NEW YORK - Geraldine Ferraro announced that she would enter New York's U.S. Senate race in a brief, exuberant tour across the state last week. But for the next few months she will have to spend bours a day, phone in hand, appealing for campaign contributions from wealthy people, many of whom she has never met.

She has little choice. In an era when Senate candidates start raising money years before their elections, Mrs. Ferraro is beginning just eight months before the Democratic

primary. Her campaign account is practically empty.

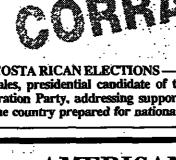
One of her Democratic opponents, Representative
Charles Schumer, has more than \$8 million. The other, Mark Green, the New York City public advocate, has nearly \$1 million. The incumbent Republican, Alfonse

D'Amato, has more than \$9 million.

Mrs. Ferraro was the first woman ever nominated by a major party to run for vice president, in 1984, when she was Walter Mondale's running mate. (NYT)

Quote/Unquote

Ms. Ferraro, who expects to spend six to eight hours a day on fund-raising: "It's an awful thing. The terrible thing is getting on there and saying, 'Please give me money.' Ugh! I dread doing it. But I will do it, and I will raise it, and we will have a sufficient amount of money." run this campaign."



AMERICAN TOPICS

'Caged Bird' Is Silenced In Maryland Classrooms

In Maryland, two public school superintendents have removed books by prominent black authors from high school English classes at the urging of some parents who called the works

Maya Angelou's autobiographical "I Know Why the Caged Bird Sings" was removed from the ninth-grade English curriculum in Anne Arundel County, although it will still be taught in the 11th grade, The Washington Post reports. In St. Mary's County, Toni Morrison's "Song of Solomon" was dropped. Both superintendents overruled faculty committee recommendations and

sided with small groups of parents.

Both the Angelou and the Morrison books are widely considered modern classics of African-American literature. Ms. Angelou's book, a searing look at her childhood in segregated Arkansas,

is a staple in English classes across the country. | in gun use. Of its 420 homicide victims in 1996, Sue Crandall, the parent who sparked the protest against the Angelou autobiography, called the removal a victory for common sense. Mrs. Crandall, who is white, said "Caged Bird" is sexually explicit. Moreover, she said, Ms. Angelou "portrays white people as being horrible, nasty, stupid people."

Ms. Angelou could not be reached for comment and Ms. Morrison declined to comment. But the decision brought angry protests from stu-dents, teachers and others. "The decision was bigoted," said Everlyn Holland, 65, a retired nurse who is black. "'Song of Solomon' put ahuman face on African Americans," she said,

"and that makes people nervous." Short Takes

Lawyers for the mayor of Philadelphia have prepared an extraordinary lawsuit contending that the nation's gun industry has created a public nuisance by saturating the city with firearms. The suit, if Mayor Ed Rendell goes ahead with it, would demand that gun makers reimburse the city for costs stemming from guns, ranging from homicide-unit overtime to the cost of washing blood off streets, reports The Philadelphia In-

Unlike other cities, Philadelphia has seen a rise

80 percent were shot to death, the highest proportion in any U.S. city.

The idea of a suit mirrors an approach taken by a group of state attorneys general who negotiated a groundbreaking settlement last year with the tobacco industry. It apparently would be a first against the firearms trade. Manufacturers, however, insist that their product is lawful, and that they bear no fault if guns are misused.

Fewer golden eagles flew across the Grand Canyon this fall than in any year on record, a trend worrying to environmentalists and which has ramifications for livestock owners. Only 26 of the eagles were among the 7,000 birds of prey counted by a nonprofit group called HawkWatch International, reports The Arizona Republic; the numbers were also down in 10 other states. The eagles eat rabbits, which, like cattle and sheep, consume native grasses. But those grasses are being replaced by cheatgrass, a Russian plant imported in the last century to stop erosion. Cheatgrass, which has steadily spread, grows quickly in the spring but dies out in warmer months, leaving no nutrition for wildlife or livestock. stock. Government officials, livestock owners and environmentalists are seeking a solution.

Brian Knowlton

Away From Politics

 A man who poured hot coffee on a flight attendant arter he and a companion around the moon, NASA of-were denied an upgrade to ficials said. (Reuters) first class on a flight from Houston to Los Angeles kick open the cockpit door during landing. He could face obesity. up to life in prison. (Reuters)

• Paula Jones has nearly tripled to \$2 million the amount she wants to settle a sexual harassment lawsuit against President Bill Clinton and is insisting on an apology from the president, CBS News reported, citing uniden-(Reuters) tified sources.

• The space probe Lunar Prospector successfully ex-

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ecuted the first of three engine prison sentence of 10 years if convicted, a man accused of

• A California woman who has become a rallying point pleaded guilty in Los Angeles has become a rallying point to interfering with a flight crew. Thomas Kasper, 36, will go on trial next week on a victed of misdemeanor child charge of disrupting the abuse in the death of her 680- runway during takeoff at San flight. He allegedly tried to pound, 13-year-old daughter francisco International Air-kick open the cockpit door whose heart failed because of port, blowing an engine and a

running a nationwide scheme to sell answers to graduate school exams left court in New York City and later was arrested trying to cross the border into Canada. (NYT) · An airplane veered off the

tire and coming to rest in a field of mud. No one was hurt • After hearing from a on the flight by the Costa Ric-judge that he faced a possible an carrier Lacsa. (AP)



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Mrs. Megawati Says She Is Ready to Govern

By Seth Mydans New York Times Service

BANGKOK --- Indonesia's leading opposition figure, Megawati Sukarnoputri, has called on President Suharto to step down when his term ends in March and told a chanting crowd that she is ready to succeed him.

Her declaration Saturday were made during a period of growing public de-mands for an end to Mr. Subarto's 32year rule as the country's economy swirls in crisis. A crash in the currency Thursday touched off a wave of panic

buying.
"I hereby take this opportunity to declare my determination to become the leader of our nation and people - if this try's 300-plus ethnic groups and raising is indeed the will and consensus of the people," she told about 500 supporters in the garden of her home outside and from the World Bank for easing Jakama

But the possibilities for Mrs. Mega-wati to assume power are limited, and her speech seemed to involve protest as is expected to be reappointed by a

largely handpicked assembly.

Over the last two years, Mrs. Megawati — the daughter of Indonesia's founding father, Sukarno - has become the symbol of dissatisfaction with Mr. Subarto and the focus of the nation's suppressed grievances.

herself forward as a candidate to succeed him in a country where open challenges to Mr. Suharto are not tolerated. Suppression of her growing popularity. 18 months ago led to the worst rioting in

Continued from Page 1

have taken part in wider discussions with

hundred party members and government

officials, most of them at "upper-middle" levels, have participated in in-

formal discussions over a period of time.

Mr. Fang said he was not a party

member, having turned down invitations

to join. A native of Beijing, he spent four

years in the Shaanxi Province countryside planting crops during the Cul-

tural Revolution before returning to

Beijing and graduating from Beijing University with a degree in economics.

He has worked for the Chinese Academy

of Social Sciences, the Research Insti-

tute of Political Science, and the Fuzhou

the support of former colleagues in gov-

about the essay, which was written Nov.

20, comes less than two months before

the start of the National People's Con-

gress, where some analysts expect a

struggie between relatively liberal del-

egates protected by the congress' out-going chairman, Qiao Shi, and Prime

Minister Li Peng, who will step down

from his current post and replace Mr.

unusual will emerge from the congress

and adds that the first opportunity for significant democratic reforms could

still be two years or more away. There

have been some indications that the

Chinese government intends to expand

the current "experiment" with rural elections to country level governments, but thousands of senior government posts are still controlled by the top officials of the Communist Party.

Mr. Fang, who runs a trading company that deals mostly in office supplies, said

Mr. Fang, however, says that nothing

Qiao as head of the congress.

municipal government.

"democratic group."

DISSENT: Pro-Democracy Voice in China

Mr. Fang is the only one who claims to as well as the failure of the party to

government officials and Communist The party, which holds its congresses Party members. He says that a couple of every five years, had failed to adapt to

In 1995, he went into business with entire system of government."

erament. He said he left government in ward at the Communist Party congress in

part because he sought a more inde- 1987, although the idea was dropped soon

pendent status from which to express his after that party meeting and was not raised

views and the views of what he called a at the party meetings in 1992 or 1997.

democratic group."

On the economy, the document calls Mr. Fang's decision to talk openly for an end to subsidies to state-owned

eligible to be chosen by the assembly, and it was not clear how she could succeed Mr. Suharto. Nor was it clear how seriously she intended to push forward with her declaration of readiness to lead the nation.

If Mr. Suharto were to step aside, his successor would more likely come from within his government's power struc-ture, including the politically influential

■ No Succession Scenario

Keith B. Richburg of The Washington Post reported:

Suharto, 76, has reversed Indonesia's economic decline, unifying the counper-capita income from \$55 to \$900. He has won plaudits from other countries

To reconstruct his country, Mr. Suharto relied primarily on Indonesia's ethnic Chinese business elite who, almuch as politics. In March, Mr. Suharto though they make up just 3 percent of the protect their own business interests. population, control the vast majority of overseas Chinese capital in Hong Kong, Taiwan, Singapore, Thailand and

Among those who benefited from the bsequent boom were Mr. Suharto's six children, all millionaires, whose enter-But this was the first time she had put prises range from cars, petrochemicals and toll roads to banks, airlines, taxicabs and telecommunications.

Now with Indonesia's economy in a tailspin — its foreign debt mounting and bankruptcies, unemployment and infla-Jakarta in decades.

Mrs. Megawati is not legally the leader of a political party and is therefore not his political touch.

tion all set to rise — many Indonesians are asking whether Mr. Suharto has lost his political touch.

the continued dominance of the Com-

munist Party by people over the age of 70,

undertake political or democratic reforms.

changes since the end of the Cold War.

"The third generation of leadership in China," Mr. Fang said, borrowing the party's phrase for President Jiang Zemin and his fellow leaders, "is lagging be-

The nine-page platform of proposals says "the key to China becoming a

modern country is to take first steps

the Communist Party from township and

county governments and "then gradu-

ally, but not slowly, push the separation

of party and government to higher levels

of government and eventually to the

This proposal resembles one put for-

enterprises and an end to monopolies for

state-owned enterprises in certain areas.

It suggests giving equal treatment to

foreign investors and domestic ones, al-

lowing foreign capital access to service

sectors, ending conditions that force for-

eign firms to transfer technology, drop protectionist rules, and stop the "unfair

practice of selecting foreign cooperation partners on the basis of political stan-

The essay also advocates freedom of

The platform also endorses a flexible approach to dealing with Hong Kong, Tibet and Taiwan. It suggests wide au-tonomy, though not full independence, for

relations with Japan and the United

expression and the recognition that "all

viable theories must accept equal in-

tellectual competition."

dards or other noneconomic factors."

The group advocated the separation of

hind the world and history.

toward democracy.



In three decades in power, Mr. Mrs. Megawati calling on Mr. Suharto to retire, in her favor, in March.

"The old man," as he is commonly called, is the world's longest serving leader after Fidel Castro. Never much of a public speaker, the enigmatic Mr. Suharto increasingly is described as aloof, ailing, out of touch, unable to grasp the severity of the crisis and surgest the severity of the crisis and s rounded by close family members and friends whose advice mainly serves to Since independence, Indonesians

its wealth as well as have access to have experienced only one change of overseas Chinese capital in Hong Kong, leadership, in 1965, and many now fear a repeat: a chaotic, prolonged and bloody power struggle, with the armed forces as the central player.

Mr. Suharto, a traditional Asian autocrat who tolerates no dissent, has never groomed a successor and has concentrated power so much in his own hands that few can imagine any scenario with-

"That's one of the troubling things about Indonesia — the complete absence of any credible succession sce-narios," said a Western diplomat based

In addition to Mrs. Megawati, a small group of retired military officers, a former cabinet minister and a leading political scientist and commentator have made unusual public statements orging Mr. Suharto not to seek another term. Although he has made no statement

about his intentions, an Indonesian newspaper quoted his half-brother, Probosutedjo, on Saturday as saying that the president would retire once a suitable successor was found.

"I am sure he has no intention of remaining the national leader forever," the newspaper, Kompas, quoted Mr.

Probosutedjo as saying.
But many academics, diplomats and longtime Indonesia-watchers question whether Mr. Suharto has any intention of stepping aside. Some say that quitting is simply not the old general's style, that he would prefer to die in office. Others say that even if he wanted to

quit, he would find resistance among his family members and cronies who would stand to lose their lucrative monopolies and their vast fortunes.

Tens of Thousands Left Homelone Control of the Con Homeless in China Quake

Compiled by Our Staff From Disputciers

NANTAN, China - The government Sunday rushed tents, medicine, food and clothing to villages flattened by a powerful earthquake in the north that killed at least 50 people and left tens of thousands homeless in the bitter winter cold.

Xinhua, the state-run news agency, put the number of people injured Saturday at 11,439, with 1,252 of those seriously hurt.

The earthquake, measuring 6.2 on the open-ended Richter scale, struck between Zhangbei and Shangyi on the border of Hebei and Nei Monggol provinces, leaving more than 44,000 people homeless and shaking buildings 250 ki-lometers (150 miles) to the south in Beijing, Xinhua said. Shangyi lies north of the patchwork of fortifications that form the Great Wall of China.

The quake toppled tens of thousands of buildings across two counties in the

Yan mountains. In Nantan, one of scores of villages affected, farmers terrified that their damaged earth-and-brick homes would collapse spent the night huddled under hastily erected lean-tos.

We had no choice but to sleep outside. If there's another quake, my house could fall down," said a farmer whose family of six slept in their garden with-out a fire or stove in below-freezing

temperatures. Nighttime temperatures plunged to minus 20 degrees centigrade (minus 4 degrees Fahrenheit), Xinhua said. Thestate-run China Youth Daily quoted a local official as saying that frostbite and colds were expected. "We need a lot of tents," he added.

Throughout Sunday, convoys of trucks, vans and buses carried relief supplies to the stricken area. Aid delivered or on its way included 1,200 tents, 21,085 overcoats and quilts, food and medicine,

perpower, the newspaper said.
The United States is certainly not

offering a new Marshall Plan to East Asia," it said. "By giving help, it is forcing East Asia into submission, pro-

moting the U.S. economic and political

model and easing East Asia's threat to

United States was promoting the authority of the IMF — to which it is the

The People's Daily said that the

The deputy prime minister of Thai-

land, Supachai Panitchpakdi, recently

criticized the United States for not con-tributing directly to the IMF's \$17-bil-

Still, some East Asian leaders appear

confident the region's economic hard-

ships will not result in lasting damage to

"At the end of the day, Americans

know that our interests are linked up

with theirs," said Lee Kuan Yew, Singa-

pore's senior minister, in an interview

with the Taiwan newspaper China

Times that appeared last week.
"We need a strong America to

provide stability. We give them access to

our bases - which is not unimportant

for the maintenance of stability, not just

in the region, but also in Gulf where the

oil is. So, behind the froth are deep

tralian defense official who now heads

the Strategic and Defense Studies Center

at the Australian National University in

Canberra, said that economic turmoil in

sought to export their way out of dif-

But Paul Dibb, a former senior Aus-

strategic common interests.'

relations with the United States.

the U.S. economy.

Xinhua said. Military units in Beijing sent four helicopters to airlift 30 tons of food to the area, state-run television reported. At one hospital in Zhangbei, near the

epicenter, injured people lay motionless in beds or sat booked up to drips in corridors. A doctor at the hospital, which took in 102 patients, said people were squashed by falling debris, burned by fires triggered by the quake and scalded by stoves. The quake struck at 11:50.
A.M. (0350 GMT), when many people. were indoors preparing lunch.

Aftersbocks — more than 200 as of

Sunday evening — also rattled the area. with the strongest reaching magnitude
4.6, the State Seismological Bureau said.
It predicted that there would be no more major quakes and that Beijing would not

China suffered its worst earthquake in modern history in 1976. Measuring 7.8 on the Richter scale, it leveled the northern city of Tangshan, killing at least 240,000 people. (AP, WP)

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BRIEFLY

Hun Sen Sets Out Cease-Fire Terms

PHNOM PENH — The Cambodian leader Hun Sen laid down official terms Sunday for a ceasefire between Phnom Penh's forces and those supporting his deposed co-prime minister, Prince Norodom

The three conditions were contained in a statement issued last Tuesday by the powerful second prime minister's cabinet. They were that the prince withdraw orders to his troops to fight, nullify appointments he made setting up the resistance army and sever relations with the Khmer Rouge.

Mr. Hun Sen also offered Sunday that soldiers enlisted in the army who are fighting for the resistance would be allowed to return to their former positions with no loss of rank, salary or benefits, and receive back pay.

The prince reportedly said Saturday that he was prepared to order his troops to stop fighting if Mr. Hun Sen simultaneously issued the

Sam Rainsy, an ally of Prince Ranariddh, said the prince supported such a move, which "should naturally and immediately lead to the opening of peace talks between the two factions." (APF)

Gandhi's Widow Stumps for Party

SRIPERUMBUDUR, India ---The widow of former Prime Min ister Rajiv Gandhi denied here Sunday that she hoped to become prime minister as she began campaigning for the first time for the Congress (I) Party, to which he husband beionged.

Sonia Gandhi, 51, surrounded by hundreds of security commandos at the site where Rajiv Gandhi was assassinated in 1991, told 20,000 supporters she did not want to become prime minister.

General elections are due to be held between Feb. 16 and March 7 after the collapse of a coalition government in November. (AFP)

Queensland Town

fell in 24 hours in the worst-hit area of Townsville in northeastern Australia, with an additional 10 centimeters forecast overnight. The rain that fell in one day is equivalent to half of the city's average annual

BANGKOK - The Thai Army has joined the battle against the country's economic crisis, organizing a festival in downtown Bangkok to encourage people to contribute to government coffers.

As many as 8,000 people turned out early Sunday for the biggest mass event so far in support of the Thai-Help-Thai campaign, established last month by a Buddhist monk worried about the country's financial woes.

For the Record

Four people were burt in a bomb blast near the U.S. Consulate

22 Shiite Muslims Killed in Pakistan

LAHORE, Pakistan — Gunmen killed at least 22 Shiite Muslims and wounded 51 others at a religious service here Sunday in what Prime Minister Mian Nawaz Sharif said could have been an act by "foreign

The killings occurred at a morning service in an old cemetery in central Lahore, capital of the central province of Punjab and home city of Mr. Sharif. Officials said it was the deadliest such attack in recent months in Punjab, which has been plagued by fighting between mil-itant Shiites and the majority Sun-

State television quoted the prime minister as denouncing the incident and saying, "The involvement of foreign hands cannot be ruled

He did not specify which foreigners could have been involved, but Pakistani officials have often accused neighboring India of sponsoring terrorism in Pakistan to avenge its support for Muslim militants fighting Indian rule in the Kashmir region.

No one immediately claimed responsibility for the attack. But Tanqir Hussain, a local Shiite leader, blamed Sunni militants. No comment from the Sunnis was avail-

The Mominpura cemetery, where the attack took place, had only one entrance, and there was no escape route for the Shiites who had been

there for prayers for the dead. Quoting Shiite witnesses, Mr. Hussain said three men with assault rifles shot at about 150 people assembled at the graveyard for three to four minutes before fleeing.

Tibet. It says that diplomatic and military affairs should remain in Beijing's hands. It also says China should improve its of the ranks of world freedom and democracy, which represent the direction that the effort to outline an alternative "In revising its foreign policy," it and mainstream of our time, platform grew out of disappointment with says, "China should make a fundament-stand on the opposite side?" and mainstream of our time, or should it

al choice: should China stand on the side

"I think the IMF cure would have been very good if it was applied three years ago, "Mr. Kissinger said. "But we have to be careful the economic realities the cure is worse than the disease."

Mr. Kissinger said that the danger was particularly acute in South Korea, where "very virulent" nationalism formed a largest single contributor — in the East strong undercurrent. "We have to be Asian crisis to advance its own strategic careful that we are not using this op-portunity to recolonize Korea," he said. I am not saying we are doing this, but it

start of an East Asian tour, the U.S. lion loan package for Thailand — a defense secretary, William Cohen, gave criticism that The Nation, the second an assurance that America would be a largest English-language daily in steady ally "in good times and bad," but Bangkok, said reflected to "strong rehe stressed that reforms were needed to end the region's economic crisis, Reuters reported from Kuala Lumpur.

with the Center for Strategic and International Studies in Washington, said that Asians are wornied that their economies are "slipping out of their control and into the hands of London, Washington and Wall Street."

ister of Malaysia, Mahathir bin Mohamad, said recently that his government would not turn to the IMF for financial support because "we would not able to control our economy and would throw it Asia would test American commitment open to foreign domination," by allow- to the region as East Asian countries ing overseas interests free access to "come in and buy our banks and compa-

BLAME: Backlash Against U.S. Is Feared

Korea and Thailand.

could be perceived that way."

Arriving in Malaysia on Sunday at the

The tour will also take Mr. Cohen to

ing the shots," he said.

countries. Allies in the Cold War, East additional protection," he said.

Asian nations now pose an economic Continued from Page 1 threat to the world's sole remaining su-

dollar bailout loans to Indonesia, South

don't lead to a wave of nationalism and eventually anti-Americanism in which

Indonesia, Singapore, Thailand, China, Japan and South Korea for security talks. The large U.S. military presence in the region is based mainly in Japan and South Korea. Mr. Hitchcock, now a senior associate

Some wonder out loud if behind the IMF, the United States is not really call-

Reflecting that view, the prime min-

nies at cheap prices."

The People's Daily said recently that a major geopolitical shift was taking place between the United States and Asian lationist calls from the U.S. Congress for

Floods Devastate

BRISBANE, Australia. - As many as 20 people were reported missing and hundreds of homes were flooded Sunday after torrential rain devastated a city in the state of Queensland, prompting the govern-ment to declare a state of emer-

More than 55 centimeters of rain

Self-Help for Thais

People are being asked to give what they can to the Treasury, and trade in hard currency for Thai baht to increase the official foreign re-

Thousands of Asians are lodging bogus applications for refugee status in order to work in Australia, the government said Sun-

in Madras, India. on Saturday, the

INTERNATIONAL

Revenge Killing in Ulster

Protestant Unit Shoots a Relative of Adams

group, took responsibility Sunday for the killing of a Belfast nightclub door-In a statement issued to the press, the group said the shooting was in direct response for the recent murder in the Maze prison of its leader, Billy Wright.

BELFAST - The hard-line Loyalist

The Loyalist Volunteer Force is not The police said earlier that Terence Enwright, 28, was killed during the night when gunmen opened fire on staff at the

entrance to a nightclub in the capital of British-ruled Northern Ireland Mr. Enwright was a Catholic community worker married to the niece of eight years in prison after being caught Gerry Adams, leader of the Irish Republican Army's political wing, Sinn Fein. He was the third Roman Catholic to be

days after Christmas. The Loyalist Volunteer Force is The Loyalist Volunteer Force is Prime Tony Blair, who is visiting fiercely committed to continued Brit-Tokyo, said in a BBC interview that ish government in Northern Ireland and Britain must not allow dissidents behind has rejected the peace process there. the upsurge in violence to dictate the Talks on the future of the province pace of peacemaking efforts.

were due to resume Monday.

Mr. Adams' comforted his niece, Volunteer Force, a pro-British guerrilla

Deirdre Enwright, and her two young
group, took responsibility Sunday for

children at their home in Catholic west

Mr. Adams, shot five times by Prot-estant extremists in 1984, made no immediate comment. But his press aide, Richard McAuley, said that few people would have known of the Enwright-Adams connection and that the gunmen against peace, but not peace at any appeared to have shot at all the price," the statement said.

Catholic.

sive Unionist Party, represents the outlawed Ulster Volunteer Force and spent with explosives, has argued that nobody should resume their campaign of terror against the north's Catholic minority. killed in retaliation for Mr. Wright's Many grass-root members think that the

The attackers' car was later found burned in Protestant east Belfast.

David Ervine, who leads the Progreskilling by an IRA splinter group two negotiations are weighted in favor of Sinn Fein.

Aged Bug Is Said To Bug Papal Visit Compiled by Our Staff From Dispatches

MADRID - The Vatican

threatened to reconsider Pope John Paul II's visit to Cuba after a bugging device was discovered in a parish house where he is scheduled to stay, a Spanish newspaper reported. Varican aides found the hidden microphone in October as they prepared for the Pope's visit on Jan. 21-25, El Pais quoted unidentified Vatican officials as saying. Joaquin Nav-arro-Valls, the Vatican spokesman,

refused to comment on the report. Cuban officials, the paper said, admitted that the microphone might have been in the house, but said it must have dated to the dictatorship of Fulgencio Batista, who was overthrown by Fidel Castro in 1959.

Experts who examined the mi-

crophone said that although it was

an unsophisticated device, they did not believe it was that old, El Pais

(AP. Reuters)

reported.

"We cannot get into a situation where, if people are committing murders, then that means somehow you damage the underlying process itself," Mr. Blair said (Reuters, AP) under constant fire for his personnel former minister of health in Jordan.

WHO to Elect New Director 2 Women Lead 7 Candidates Seeking Top UN Health Post

policies and his setting of priorities in By Barbara Crossette bealth programs.

New York Times Service UNITED NATIONS, New York - In the most important election in the UN system since the choice of a new secretary-general in 1996, the World Health Organization will replace its directorgeneral later this month. The campaign has been intense, with seven candidates

in the running.

lead it are a former prime minister of

any endorsements. U.S. popularity is generally at an ebb at the United Nations, elects its leader to a five-year term.

officials in Washington are not making

Recently, Congress has also focused on the organization's budget, demanding cuts and greater efficiency. The organization is based in Geneva, with regional branches around the world. American officials lobbied the Japanese to withdraw their support from

Mr. Nakajima. In April, Mr. Nakajima

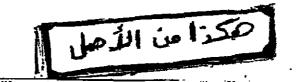
announced that he would not seek an-

Among the candidates competing to other term. Mrs. Brundtland's toughest compet-Norway, Gro Harlem Brundtland, and the itor is Mrs. Sadik, who has many suphead of the UN Population Fund, Nafis porters in the United States and Europe Sadik of Pakistan. Both are physicians by training, as are the other candidates. Mrs. Brundtland, who studied public of UN family-planning efforts and the health at Harvard University before endriving force behind the groundbreaking tering politics, is thought to be the fa-vorite of the United States, although held in Cairo in 1994. international conference on population

director of the Pan American Health and Washington is not currently a mem-ber of WHO's 32-member board, which Antezana of Brazil, a deputy director of Antezana of Brazil, a deputy director of the organization; Ebrahim Malick Washington has been very critical of Samba, a Gambian and the organizathe departing director-general, Hiroshi Nakajima of Japan, whose election it twice tried to block. Mr. Nakajima, di-twice tried to block. Mr. Nakajima, di-twice tried to block. rector-general for 10 years, has been Southeast Asia, and Arif Batayneh,

Other candidates are George Alleyne,

a doctor from Barbados who is now



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EUROPE

in China Quake Jospin Evicts Jobless Protesters in France

By Craig R. Whitney New York Times Service

PARIS — A day after promising emergency funds for the worst hit of France's 3.1 million unemployed workers, the French prime minister a year. ordered the police to eject jobless protesters from public offices they had occupied since last month to press demands for higher benefits.

Riot police swooped down Samrday on more than 20 welfare and labor offices across the country and carried out protesters who had been in some of them since Dec. 15.

"I said yesterday was a significant step forward," said Charles Hoarean, one of the leaders of the protest movement in Marseilles. "I was had."

The police moved into the eight occupied offices in and around the Mediterranean port the day after Li-

The mix of conciliation and firmness took the government's Communist and Green coalition partners by

surprise and probably ended the honeymoon Mr. Jospin has enjoyed with public opinion since his election June The Communist-led union General Confederation of Labor, which had

the unemployed protesters in his office Thursday, issued a statement publicly condemning "carrot and Alain Boquet, the Communist floor

objected to Mr. Jospin's decision to

available for the worst-off of jobless workers, more than a million of whom "a humanly and politically grave erhave been unemployed for more than ror.' Mr. Jospin said nothing Saturday,

but indicated after announcing the extra payments Friday that he expected the occupation of government offices to end.

About a thousand people demonstrated in Bordeaux on Saturday afternoon, vowing to continue pressure on the government, while union and unemployed groups' leaders called a national demonstration in Paris on

receive leaders of groups representing Mr. Jospin's leftist majority ousted President Jacques Chirac's conservatives from power in Parliament in June after a campaign promising to make jobs their highest priority. But once in Nantes.

onel Jospin, the Socialist prime min-leader in Parliament and mayor of a power, Mr. Jospin continued cutting ister, said the government would town near Arras, where protesters oc- the budget deficit so France could join make I billion francs (\$165 million) cupied a welfare office for nearly a the European common currency that is month, called the expulsions Saturday planned to start next year, supporting legislation to reduce the workweek to 35 from 39 hours but putting it off for most workers until the next decade.

The unemployed rose up in frustration in December, demanding payment of a year-end bonus of 3,000 francs and higher benefits. Mr. Jospin said Friday that raising them would have cost several tens of billions of francs and unsettled the economy.

■ Protests Continue in 5 Cities

Jobless demonstrators maintained sit-ins in five cities Sunday, The Associated Press reported. The protests persisted at the Chamber of Commerce and Industry offices in Cherbourg, Metz, Guingamp, Lyon and



A banner at an office in Lyon that reads "Against Unemployment: Occupation."

BRIEFLY

Bonn Said to Agree On Holocaust Fund

BONN - The German government has reached agreement with Jewish groups to pay a total of 200 million Deutsche marks in compensation to Holocaust survivors in the former Eastern bloc, the daily Tagesspiegel reported.

The newspaper quoted sources in Bonn as saying that the deal was reached in talks last week between Jewish representatives and the German chancellery minister, Friedrich Bohl. Yearly payments of 50 million marks (\$27.4 million) will be made, and distributed among about 18,000 survivors of death camps and ghettos,

the paper said Saturday.
Government sources said Bonn would make an official statement on the issue on Monday. A government spokesman declined to comment. The Jewish Claims Conference was unavailable for comment.

Greek Aide Defends Controls on Borders

ATHENS - Greece is doing everything it can to stop the flow of Kurdish refugees, the minister of pub-lic order, Georges Romaios, said Sun-

said after the German interior minister, Manfred Kanther, asserted that Greece was failing to patrol its ports.

Mr. Romaios placed the blame on Turkey, saying said he spoken with Mr. Kanther and "stressed that in 1997, 62 Turks smuggling illegal immigrants had been arrested in Greece." He also said controls along the Greek coast would be increased. with new patrol boats equipped with

Judge in Canaries Jails Cult Leader

SANTA CRUZ DE TENERIFE, Canary Islands — A Spanish judge had ordered a German cult leader to be held without bail following her arrest on suspicion of organizing a mass suicide.

Judge Juan Luis Lorenzo Bragado questioned the suspect, Heide Fittkau-Garthe, 57, for five hours before issuing the order Saturday, the EFE news agency said. She is charged with induction to spicide, attempted murder and belonging to an illegal group.

She was arrested Wednesday and accused of planning to induce the 31 members of the cult, all but one Germans, to kill themselves before 8 P.M. on Thursday; when they believed the world would end. The followers, who included five children, told the police that they had expected a spaceship to Germans "must know that their borpick up their bodies from Teide ders are not as secure as they seem," he Mountain on Tenerife. (AP)

Last Serb Enclave Is in Suspense as Croats Return

By Christine Spolar Washington Post Service

VUKOVAR. Croatia - In a dark café here, a man and a woman clink tumblers of brandy. They speak furtively, brows close and eyes lowered, as if, on an icy winter night, they are snatching forbidden pleasure.

In fact, these two divorced 40somethings are toasting old friendship. But he is a Croat and she is a Serb, and in this city of fear, that bond comes close enough to an illicit one.

"People are waiting to see what will happen here," said the woman, Mirjana Ivanovic, looking out a window onto a landscape of broken bricks, twisted lampposts and shattered tiles. "Everybody really thought this would never go back to Croatia. Now we're just waiting to see how it will be."

On Thursday, another wedge of the Balkan peace package, two years in the making, will fall into place. The last Serb-held enclave in Croatia - a ravaged stretch of territory along the Serbian border known as Eastern Slavonia - will leave the hands of the UN authorities and return to the Croatian govemment.

In some quarters, nerves are taut. But this historic changeover is moving ahead so far, day by day, with no embittered wave of departing refugees.

Anonymous phone threats are reported, yet relatively few incidents of violence have been recorded, most prominently two grenade attacks against ethnic Serbs. Passions or even the notion of retaliation appear curbed by dogged preparations to close this neither Croats nor Serbs will feel safe

drawn-out chapter of the Balkan war. "People appear to be welcoming

back their neighbors," one international aid worker said cautiously last week. "More than we expected, people appear to be thinking for themselves - and taking things a day at a time,"

There were plenty of reasons to fear how Serbs and Croats would greet the turnover.

East of Zagreb, whole villages of bullet-ridden farmhouses bear testament to Serbian territorial ambitions in 1991. Vukovar, a once-graceful, bustling city perched on a bank of the Danube, stands in particular as a rotting

symbol of the split-up of Yugoslavia. Vukovar, a city of Serbs, Croats, Hungarians and other nationalities, was nearly flattened in a siege that autumn by the Yugoslav military. The furious battle added confirmation that the Yugoslav Army was openly fighting for territory where Serbs live outside Ser-

After years of bitterness, revenge came, In 1995, Croatian soldiers, fueled with hardware and trained by U.S. military retirees, retook the territory west and south of here, critical gains that crippled Serbian ambitions. An advance on Eastern Slavonia - in a region already teeming with Serbian refugees

was staved off by diplomatic efforts.

An agreement to restore the regionwas devised late in 1995, just as a peace accord for neighboring Bosnia-Herze-

govina was devised. Transition has not proved easy. Local politicians, even in the weeks leading up to the changeover, have argued that without United Nations control.

But rumors and fears are giving way to realities. Conflicts between old neighbors, for now, may be limited simply by the low number of returnees who have come or want to come home to crumbled cities like Vukovar.

Vojislav Stanimirovic, leader of a moderate Serbian faction here, estimated this week that fewer than 100 Croats have come home to this regional center where 55,000 people once lived.

Some, gone for more than six years, have left for good. Other likely returnees drive into Vukovar, only to turn around when they see the bleak prospects. Every factory and nearly every storefront here was reduced to, and remains, rubble. Jobs, except in the open-air market or in a few government offices, are nonexistent.

"I've never seen anything like this," said Mirjana Zemlic, a Croat who came to Vukovar one day from the nearby town of Beli Manastir, "The politicians can say what they want, but if people have nothing to do here, why would they come back?"

But some sense of calm, in fact, comes from those trying to look to the future. The Croatian government and communities here, so far, have followed through on promises to establish police, judiciary and school systems that reflect prewar population splits and, in the last vear, voter sentiment.

The regional police force is split nearly in half between Serbian and Croatian officers. Judicial appointments have been divvied up between the Serbian and Croatian legal authorities. Schoolbooks are to be available in both the Cyrillic script used by Serbs and the

Latin script used by Croats. UN officials are holding their breath about the possibility of a smooth transfer, saying that many of the 120,000 Serbs in the region still live in Eastern Slavonia.

They, like many others, are waiting to see if the Croatian government lives up to its promises after the much-heralded transfer date - and if their erstwhile

Croat neighbors will return. Ivan Frank, 76, was among native Croats caught in the Serbian onslaught. He and his Serbian wife huddled in the basement of their apartment building

when it was assaulted with mortars. After the city fell, he was sent to prison in Serbia, only to be released a month later. For the next six years he lived on the island of Hvar, off the Croatian coast, in a hotel filled with

other refugees. A few weeks ago, Mr. Frank returned to Vukovar as the first official new resident of his housing block, which had been repaired with European recon-

struction funds.

But there remain many holes in his life. He lost his only son in the war. He and his wife have been separated since that early siege, and she now lives in Australia. Now the two communicate by phone and letter.

She is too frightened to consider coming back. In his old age, Mr. Frank said, he is too worn to contemplate taking on life in a faraway country, even though he has few friends left.

"Oh; I don't blame her," he said quietly of his wife. "I only feel pity. What we've all been through."

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INTERNATIONAL

U.S. Now Warms to Iranian President's Proposal of Cultural Exchanges

By Steven Erlanger New York Times Service

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WASHINGTON - After a few days of reflection on the address to the American people by President Mohammed Khatami of Iran, senior American officials are changing their tone and embracing the idea of cultural exchanges that fall short of a formal, government-to-government

But that formal dialogue is vital to any real improvement in relations with Iran, the officials repeated, adding that atmosphere also matters.

Noting that the interview with Mr. Khatami last week was also broadcast in Iran and received a mixed reception, American officials say they have a fuller understanding both of the courage of his address and what is possible within the divided politics of theocratic Iran.

"When the president of Iran, a country with long time, gets on CNN and addresses the Amer-

behooves us to respond," a senior American official said.

"When he says he regrets the hostage-taking and talks about America as a great civilization and these things get criticized in Iran," the official continued, "it is an indication to us that he's interested in breaking down this distrust and finding a way to engage with us."

All that "is important on a rhetorical level," the official said.

But he cantioned that "we have some real problems with Iranian behavior" that can only be resolved in "authorized, government-to-government talks" of the kind Washington has been seeking — publicly and privately, through various diplomatic channels — for months.

U.S. diplomatic overtures for new talks on the substantive problems of the relationship were

ican people and starts praising our values and our Angeles Times reported in July, before Mr. talks that harm U.S. efforts to isolate Iran and soften Iran's religious fervor and encourage the civilization and talks about a dialogue, then it Khatami took office.

Another overture, sometime after his inauguration, was made in a letter delivered by the where there is no American diplomatic representation, The Washington Post reported.

But these overtures — and less-formal efforts made through research groups based in Washington - produced little at the time, officials

"A real improvement in Iran's behavior and relations with the United States will depend more on domestic political change in Tehran than anything we do or say," a senior official said. And what we do or say will have an exaggerated impact over there. There is a real risk in saying too much and doing in the guy who's trying to not to cause any inadvertent damage to his standmake things better.

produce no discernible change in Tehran's be-

So the State Department spokesman, James Swiss, who represent U.S. interests in Tehran, Rubin, says the United States will "take a serious, hard look" at Mr. Khatami's vague proposal for a more formalized expansion of cultural and educational exchanges.

But limited informal exchanges already exist, Mr. Rubin said, and what matters to Washington remains now what it was last week: a halt in Iran's support for terrorism; a halt to its pursuit of support for radicals opposed to the Middle East peace effort.

The U.S. response to Mr. Khatami is designed ing in Iran - but without appearing to take sides While wanting to be receptive to the overture in the struggle between conservative adherents of whom we've had a very bad relationship for a passed to Iranian officials in Tehran by Sandi from Mr. Khatami, American officials do not larn's spiritual leader, Ayatollah Sayed Ali long time, gets on CNN and addresses the American officials in June and early July, The Los want to be "bounced," one said, into aimless Khamenei, and those who look to Mr. Khatami to

trend toward the more moderate brand of Island he appears to represent.

■ U.S. Confirms Start of Visa Review

The United States confirmed Sunday that was beginning a review of the tight restrictions of issuing visas to Iranian nationals, the International Herald Tribune reported.

At the same time, Samuel Berger, Presiden Bill Clinton's national security adviser, repeate that the administration's interest was in a direct weapons of mass destruction and ballistic missiles to deliver them and a halt in its active support for radicals opposed to the Middle East sues on the table" and "no preconditions." Mr Berger said on CNN.

He would not say how long the U.S. review of visas for Iranians might take.

He also declined to confirm reports that Secretary of State Madeleine Albright had sent Mi Khatami a letter shortly after his election offering to open a dialogue.

The Very Famous Women in His Life Fiancée and Boss Make U.S. State Dept. Aide a Star, of Sorts

By Melinda Henneberger New York Times Service

WASHINGTON — When James Rubin, the U.S. State Department's chief spokesman, got word that CNN had refused to provide an advance copy of its Albright in 1993. interview last week with the Iranian president, he lost patience.

"Oh, really? Who says?" he asked one of his deputies, and threatened tostart dialing CNN editors himself.

No one in the room, where about a dozen foreign-policy experts were waitings on cable and apparently thrill to his ing their turn to prepare him for the noon pronouncements on Iraq and China. briefing, mentioned what every con--sumer of Washington gossip knows: Mr. government's official response, could easily phone the reporter who got the describe his enhanced status. " interview, CNN's Christiane Amanpour. Last month, on his knees on a cluded. beach in Tobago, he asked her to marry

In a city rife with examples of power couples whose small worlds - in this case, the world - are pretty contiguous real estate, the situation was generally regarded as more awkward than improper — and a matter of particular interest to the many Washington couples whose similarly tangled relationships are not the subtext of TV news.

"It's just something to tease Jamie unmercifully about," said Michael Mc-Curry, presidential spokesman and former State Department spokesman. 'And it's like Jamie to have a relationship people talk about."

Even more than Ms. Amanpour, his boss, Secretary of State Madeleine Albright, the other woman in his life, has -made the 37-year-old Mr. Rubin something of a Washington personal-

edgy New Yorker, pacing, illegally head," she declared. smoking at his desk, moving fast but And well before Mr. Rubin began ington insider. He is hardly an overnight He has a notably close and complicated an American aircraft carrier.

success here, having spent his entire relationship with his boss, and in his dual adult life in foreign affairs, learning the roles as assistant secretary of state for lations Committee and the United Nations, where he went to work for Mrs. tions.

weaponry is on George magazine's list extreme, he is widely credited with a of Washington's best-dressed men. He receives a steady trickle of mash notes from women who watch his daily brief-

"It's ironic that I should be getting engaged at just the moment when I'm Rubin, close adviser to the secretary of state and the man who would deliver the uncharacteristically long time, presumably searching for some modest way to more eligible bachelor," he finally con-

> As they join the ranks of the prominently entangled, Mr. Rubin and Ms. Amanpour, one of the world's bestknown foreign reporters, join such couples as the Federal Reserve Board's Alan Greenspan and NBC's Andrea Mitchell, and the Republican Mary Matalin and the Democrat James Carville, who as perpetually opposing pundits have turned their conflicting world views into a money-making ven-

The future bride, who is 40, once took on the man who is now her fiance's boss's boss over what she called his "constant flip-flops" on Bosnia. During a 1994 town meeting, President Bill Clinton snapped, "There have been no constant flip-flops, madam," — and later apologized.

issues and the players in jobs at the Arms
public affairs and adviser to Mrs. AlControl Association, Senate Foreign Rebright, counsels her on everything from geopolitics to potential fashion viola-

And while Mrs. Albright clearly put But suddenly, a guy known mainly for Mr. Rubin on the map, the reverse is also mastery of such unsexy topics as nuclear true to an extent. Press savvy in the major role in making Mrs. Albright the news media star she is, though those in her keenly sensitive inner circle yelp at the implication that she needed any

Certainly, their fortunes are almost inextricably linked. And Mr. Rubin's relationship with the secretary of state has both protected him and made him a

He reflects her, and she is in verv high standing and he is in very high standing - and when he goofs up, he gets forgiven." said Mr. McCarry, referring to a recent incident that for a short time appeared to threaten Mr. Rubin's job.

That incident illustrates the ease with which an ill-chosen word from a State Department spokesman can create a mess of world-wide proportions: During a December trip to the Middle East, Mr. Rubin told reporters that the United States was considering expanding the amount of food and medicine Iraq can buy with oil. Critics call this human-buy with oil. Critics call this human-buy with oil. Critics call this human-buy with oil of the day his states with but declared "kind of agreed with but declared strengthens the sanctions by robbing Saddam Hussein of the argument that children are starving because of the em-

In the briefing, a reporter pushed Mr.

Ms. Amanpour says that nothing had changed for her professionally because of the engagement. "Just because I've the proposed expansion was in fact "a three days, he is more popular among Though he is generally regarded as an fallen in love doesn't mean I've lost my carrot" for Mr. Saddam, and Mr. Rubin

rose to the bait.
"It may be a little carrot," showing up late in his black leather seeing her last summer, his personal and answered, "but there's a big stick" jacket, Mr. Rubin is nonetheless a Wash-professional lives already overlapped. floating toward the Gulf, a reference to



The definition of a power couple: **CNN's Christiane** Amanpour and the State Department's James Rubin.



Only the "little carrot" portion of the his access to Mrs. Albright. In a staff yourself back home on a Sunday with no quote was widely reported, Mr. Rubin said, with no mention of the "stick." The remark was a clear political blunder, giving the impression that Mr. Clinton was negotiating with Mr. Saddam. Mr.
Clinton was said to be furious, and Mrs.
Certainly, she is fierce

ers - his "clients," as he calls them seem a world better than when, as Mrs. Albright's spokesman at the United Nations, he was known to answer queries In the briefing, a reporter pushed Mr. from reporters for less prestigious news

the reporters who cover him, and though some feel his ego has been inflated by the recent attention, they also say he seems to have found the "little carrot" incident a sobering experience.

meeting this week, they bantered comfortably and communicated in very few words, speaking almost in code. More nobody else," he said. "You haven't than one colleague views her feelings for called anybody else in so long that you

she said, clearly annoyed, and went on to praise him as "brilliant" in a variety of We have a similar sense of humor, both like to work hard and both consider

it a treat to do foreign policy on a fulltime basis," she said.

Albright were good company for each the conversation. When asked if he had other, but sometimes spent off-hours to- been distracted by the televised image of gether by default.

"She didn't have a family and I didn't "Yeah," he said. 'I'm trying to see if Mostly, they praise his intellect, and have a personal life, and you'll find I can see the ring.'

"I guess that's meant derogatorily," spent chasing the transcript to Ms Amanpour's interview in Iran — they finally got it through the White House, in

plans and she'll say, 'Jamie, you want to go to the movies?' because there's

have nobody to call. It's self-ful-

late afternoon — he settled in to finally, watch her on television. And, then watch her some more. Talking to a reporter while viewing the replay of the interview, Mr. Rubin 3 Mr. Rubin also said that he and Mrs. attention momentarily wandered from

his intended, he owned up.

SEX SLAVERY: Slavic Lands Offer Traffickers a Rich Source

Continued from Page 1

-will even be fined," she said softly, slow tears filling her enormous green eyes. You can call me a fool for coming here. That's my crime. I am stupid. A stupid girl from a little village. But can people really buy and sell women and get away with it? Sometimes I sit here and ask myself if that really happened to me, if it can really happen at all.

Then, waving her arm toward the muddy prison yard, where Russian is spoken more commonly than Hebrew, she whispered one last thought: "I'm not the only one, you know. They have rained as all.

Centered in Moscow and the Ukrainian capital, Kiev, the networks trafficking women run east to Japan and Thailand, where thousands of young Slavic women now work against their will as prostitutes, and west to the Adriatic Coast and beyond. The routes are controlled by Russian crime gangs based in

Even when they do not specifically move the women overseas, they provide security, logistical support, liaison with brothel owners in many countries and,

usually, false documents. Women often start their journey by choice. Seeking a better life, they are lured by local advertisements for good jobs in foreign countries at wages they could never imagine at home.

In Ukraine alone, the number of women who leave is staggering. As many as 400,000 women under 30 have gone in the last decade, according to their country's Interior Ministry. The Thai Embassy in Moscow, which processes visa applications from Russia and Ukraine, says it receives nearly 1,000 visa applications a day, most of them from

Israel is a fairly typical destination. Prostitution is not illegal here, although brothels are, and with 250,000 foreign male workers - most of whom are single or here without their wives - the demand is great. Police officials esti-mate that there are 25,000 paid sexual transactions every day. Brothels are ubi-

None of the women seem to realize the risks they run until it is too late. Once they cross the border their passports will be confiscated, their freedoms curtailed and what little money they have taken

from them at once. something seems too good to be true it were sold into prostitution each year, he someoning seems too good to Biryuk, a was uncomfortable with statistics since usually is," said Lyudmilla Biryuk, a counseled women who have escaped or the truth.

been released from bondage. "But you can't imagine what fear and real ig- said, "think about this. Two hundred norance can do to a person."

boat and plane. Handed off in the dead of anges or work as dancers or waitresses. grants. Others have decided to try their luck at sume will be a few lucrative months. awaits them.

The efficient, economically brutal rontine - whether in Israel, or in one of It's happening now. Today." a dozen other countries — rarely varies.

and makeshift brothels; there they service, by their own count, as many as 15 clients a day. Often they sleep in shifts, four to a bed. The best that most hope for

catch up with their captors.

Few ever testify. Those who do risk that grow more brazen each year. balcony while six of their Russian

friends watched. In Serbia, also last year, said a young Ukrainian woman who escaped in October, a woman who refused to work as a prostitute was beheaded in public.

In Milan, a week before Christmas, the police broke up a ring that was holding auctions in which women abducted from the countries of the former Soviet Union were put on blocks, partially naked, and sold at an average price of just under \$1,000.

"This is happening wherever you But they do not work look now," said Michael Platzer, the quarters are women. head of operations for the UN's Center for International Crime Prevention, based in Vienna. "The Mafia is not stupid. There is less law enforcement since the Soviet Union fell apart and you don't have to buy cars and guns. Drugs you sell once and they are gone. Women can earn money for a long

"Also," he added, "the laws help the gangsters. Prostitution is semi-legal in many places and that makes enforcement tricky. In most cases punishment is

very light. In some countries, Israel among them, there is not even a specific law against the sale of human beings.

Mr. Platzer said that although cer-Ukrainian psychologist who has nobody involved has any reason to tell

"But if you want to use numbers," he million people are victims of contem-The women are smuggled by car, bus, porary forms of slavery. Most aren't prostitutes, of course, but children in night, many are told they will pick or- sweatshops, domestic workers, mi-

"During four centuries; 12 million prostitution, usually for what they as- people were believed to be involved in the slave trade between Africa and the They have no idea of the violence that New World. The 200 million - and many of course are women who are trafficked for sex — is a current figure.

Ukraine — and to a lesser degree its Women are held in apartments, bars Slavic neighbors Russia and Belarus has replaced Thailand and the Philippines as the epicenter of the global business in trafficking women. The Ukrainian problem has been worsened by a is to be deported after the police finally ravaged economy, an atrophied system of law enforcement and criminal gangs

death Last year in Istanbul, according to

Young European women are in deUkrainian police investigators, two mand, and Ukraine, a country of 51 women were thrown to their deaths from million people, has a seemingly endless

supply. It is not that hard to see why. Neither Russia nor Ukraine reports accurate unemployment statistics. But even partial numbers present a clear story of chaos and economic dislocation. Federal employment statistics in Ukraine indicate that more than two-

thirds of the unemployed are women. The government also keeps another statistic; employed but not working.

Those are people who technically

have jobs and can use company amenities like day-care centers and hospitals. But they do not work or get paid. Three-And of those who have lost their jobs

since the Soviet Union dissolved in 1991, more than 80 percent are women. The average salary in Ukraine today is slightly less than \$30 a month, but it is more freedom of movement. The earn- half that in the small towns that criminal ings are incredible. The overhead is low gangs favor for recruiting women to work abroad. On average, there are 30 applicants for every job in most Ukrainian cities. There is no real hope; but there

is freedom. In that climate, looking for work in foreign countries has increasingly become a matter of survival.

"It's no secret that the highest prices now go for the white women," Marco Buffo, executive director of On novelty item now. It used to be Nigerians ents and their hometowns. om them at once.
"You want to tell these kids that if tainly "tens of thousands" of women and Asians at the top of the market. Now it's the Ukrainians.'

Economics is not the only factor caus-There is also social reality. For the first selves.

Algerians Flee Villages as **Terror Grows**

SOUK EL HAD, Algeria — Traveling on foot, by mule or by truck, dozens of terrorized families fled the western mountains Sunday, part of a mass exodus from the latest round of murderous atrocities.

Left behind them was a string of deserted hamlets, whose most fortunate residents joined the exodus. The rest had been killed in the worst frenzy of slaughter seen in Algeria since the Islamic fundamentalist insurgency began in 1992.

The independent press reported

over the weekend that a fresh wave of bombings, unofficial roadblocks and attacks on villages had killed 41 men, women and children to the west and south of Algiers.

The Ouarsenis mountain range, 250 kilometers (160 miles) west of the capital, was the main scene of the violence that since Dec. 30 the start of the Muslim holy month of Ramadan - has claimed at least 600 lives, according to the press. Sahnine, where 113 people had

Two Agence France-Presse journalists who arrived in the village Saturday only found human remains, graves and stray dogs. Several newspapers described

been massacred, was a ghost town.

the wave of violence as an attempt by Islamic extremists to divert military pressure on them in the center of the country. The Onarsenis attacks were at-

tributed to the main fundamentalist

organization, the Armed Islamic

Group. Commandos from the Armed Islamic Group were believed to be exacting revenge on villages in an area controlled by a rival group, the Islamic Salvation Army, which de-

clared a unilateral cease-fire Oct. 1.

time, young women in Ukraine and Rusthe Road an anti-trafficking organiza- sia have the right, the ability and the tion in northern Italy. 'They are the willpower to walk away from their par-

Village life is disintegrating throughout much of the former Soviet world, and youngsters are grabbing any ing women to flee their homelands. chance they can find to save them-

Continued from Page 1

sponding to precariousness, exclusion and poverty. Governments of both the left and the right in the three countries have been reluctant to call attention to the widening place of the poor in their societies.

In Germany, where unemployment

totals were reported Friday to have reached record postwar levels and Chancellor Helmut Kohl acknowledged the failure of his pledge to cut joblessness in half by the year 2000, the European Union lists 13 percent of the population as living in poverty. And Catholic and Protestant charitable organizations reported last year that for every 100 welfare recipients the country had 167 "hidden poor.

In an election year, the issue of social of a campaign fought between conservatives and Social Democrats, both whipsawed by the monetary system's protestors said over the weekend, had spending constraints, the need to lower taxes and reduce the cost of German labor, and the pressures of a population increasingly aware of and ill-at-ease with polarization between rich and

In Britain, the European Union says that 23 percent of the nation's housegrowth expected to tail off in 1998 to answers at hand. perhaps less than 2 percent, Prime Minister Tony Blair's intention to make futher reductions in welfare provisions is likely run into the hardened opposition of the left wing of the Labour Party. Already, some left-wingers have called Mr. Blair more of a Thatcherite than a social democrat.

But the conflict has broken through the surface in France. With its tradition of politics in the streets and change-byconfrontation. France appears a halfstride closer to having to deal frontally with the consequences of the restructuring policies that have undercut the 50vear-old notions of even-handed income distribution, leaving, by the EU's count, 16 percent of the country's households

in poverty. The French protesters have stressed that they feel they do not speak only for the 4.52 million people officially out of work, but for the 6 or 7 million they say are part of the have-not world. In calling for a 3,000 franc (\$500) year-end bonus for the unemployed, their demands underscored the unacceptability of lowered expectations in French society, an issue avoided by a political establishment unable as a bloc to convince a majority that it has the skills to create new jobs and

HAVE-NOTS: Europe's Rifts Surface new perspectives for the disadvant

Prime Minister Lionel Jospi signaled that he understood how far be

yond the normal grievance-and-coun teroffer exchanges the circumstance had gone by promising a new approach to issues of poverty and exclusion by March, and in saying he realized how the pain of the protesters had been heightened by the divisions in French life made stark during the holiday sea-

But what his offers of additional cash did not do — one newspaper calculated they corresponded to \$50 more per month per unemployed person - was to stop the protesters' refrain that the could not imagine there was no more money to be found in the pockets of the In an election year, the issue of social rich in a country that pridefully profinistice in Germany could be at the heart claims itself the fourth wealthiest power. in the world after the United States Japan and Germany. Mr. Jospin, the offered them neither cash nor hope

Give or take details, the Socialist prime minister's dilemma could easily. be in the laps of his European colleagues soon. A poll published Sunday in Lei Journal du Dimanche said that 77 percent of the people canvassed throughout holds fall under the poverty line. With France thought he did not have the right

Rabbi Says Nostrils Get No Day of Rest

The Associated Press
JERUSALEM — A leading ultra-Orthodox rabbi in Israel has ruled that it is permitted to pick your nose on the Jewish Sabbath, his aide reported on Sun-

Rabbi Ovadia Yosef delivered the ruling Saturday night in a sermon relayed by satellite to his followers in Israel and

The newspaper Yediot Ahronoth had reported that Rabbi Yosef had said nose. picking was forbidden because tiny hairs inside the nostrils might also be pulled

But his aide, Amir Crispel, said that Rabbi Yosef had actually ruled that pick ing ones nostrils was permitted.

Rabbi Yosef is among a select group of rabbis who respond to questions from Jews — serious or otherwise — on the minutiae of applying Jewish law to dail

EDITORIALS/OPINION

Herald international Eribune Four Kinds of Gas Stations, Four Kinds of Backlash

Pakistan Corruption

licitly obtained by the family of former Prime Minister Benazir Bhutto of Pakistan could not have been collected without the help of a network of Western and international intermediaries and accomplices.

The corruption detailed in stories by John Burns of The New York Times (IHT, Jan. 10) was made possible by companies that paid bribes to do business with Pakistan, banks that profited from Bhutto-related accounts and lenders and political patrons - including Washington — willing to look the other way. In the last few years, some of these institutions have begun to take steps to combat corruption, but the Bhutto case shows how much more

needs to be done. Since 1977 the United States has had a Foreign Corrupt Practices Act out-lawing the payment of bribes to foreign government officials, but for years no other country followed suit. Some nations still allow companies to deduct foreign bribes from their taxes, Last November, 29 industrialized countries agreed on a treaty requiring them to prosecute companies that pay bribes to foreign government officials.

Completion of the treaty was heartening, but it has yet to go into force and

The tens of millions of dollars il- is filled with substantial holes. Fierce enforcement will be needed to make it effective.

That is also true with banking rules. In 1995 Citibank's Geneva branch opened a \$40 million account for a trading company of Asif Ali Zardari, Miss Bhutto's husband, who had a widespread reputation for corruption in Pakistan. While large American banks such as Chase and Citibank have among the world's toughest rules to bar the deposit of illegally obtained funds, the rules are still insufficient and

intermittently enforced. Pakistan also receives billions of dollars in loans from the World Bank and the International Monetary Fund. Both these institutions have cut off loans in other countries because of visible malfeasance but cannot act on the hidden corruption endemic to Pakistan and many other countries.

The World Bank, which last year began to focus on corruption, has improved the tracking of its loans and monitoring of national corruption and is now helping several nations, including Tanzania and Ukraine, carry out anti-corruption programs. These measures should be expanded as rapidly as possible.

-THE NEW YORK TIMES.

The Suharto Problem

cial crisis has now moved back to Indonesia, In South Korea, conditions have stabilized, at least for now. Thailand's government is making an earnest effort at reform. But in Indonesia, the world's fourth most populous nation, the situation goes from bad to worse. This is due partly to the wrong medicine being prescribed from out-side, partly to Indonesia's failure to implement necessary reforms and very largely to the same shortcoming that helped bring on the crisis in the first place: an absence of democratic accountability.

Indonesia's crisis began last year. In October, it reached an agreement with the International Monetary Fund to restructure its economy in exchange for billions of dollars of emergency loans. But last Tuesday, its currency and stock market went back into a tailspin after President Suharto released a proposed fiscal budget that, according to the judgment of outside investors, was profligate, unrealistic and in violation of the agreed-upon IMF reform plan.

This judgment was, to a large extent, unfair. The proposed budget actually was in balance. Despite terrible inflation now wracking Indonesia, the government proposed almost no pay raise for the civil service. For a quartercentury now, Indonesia has done an any checks on presidential power—the dmirable job of balancing its budget while reducing poverty in its country. The notion that, at this moment of crisis, the nation needs sudden aus-

terity is simply wrongheaded. Unfortunately, any defense Indonesia might have presented to the world of its fiscal soundness was undermined by Mr. Suharto's apparent lack of seriousness in tackling the root causes of

his nation's financial problems. Indonesia during his 30-year tenure

The constantly moving epicenter of the seemingly unending Asian finan-economic growth, but in recent years that growth has been increasingly tarnished by cronyism and corruption. Children and friends of the president have amassed wealth, often from state-

sponsored projects.

But Mr. Suharto wavered when it came to shutting down a son's failing bank. He showed no inclination to pull the plug on wasteful and expensive state-sponsored projects, such as one to develop a "national car," which benefit a narrow circle but hurt the economy as a whole. There has been far too little commitment to moving from an economy of favors and influence to an open system ruled by impartial law.

Most of all, investors have moved out of Indonesia because of fear of political turmoil. Mr. Suharto, 76, has had health problems — no one knows how serious -- and he has done nothing to prepare for an orderly transition. On the contrary, he has done everything possible to quash those civic institutions that might have eased the way to a more democratic post-Subarto era.

In a nation that has weathered only one change of power since independence—and that one a bloody episode that claimed as many as 500,000 lives - this is no small failing. An absence of absence of a free press, an independent legislature, a true opposition party allowed crony capitalism to flourish. Now it impedes the political and economic reform Indonesia desperately needs to stem the current panic.

The best gift Mr. Suharto could give his nation, and his best chance of salvaging a legacy of economic progress, would be to make way now for a new, more democratic system.

-THE WASHINGTON POST.

Europe and Refugees

Europe is learning the price of its brave decision to allow the free movement of people across its internal borders. Bad times in regions to the south and Europe's own powerful allure are propelling foreigners into one after another constituent nation, whence they skip freely to other European

Earlier, those on the move came, in numbers adding up to the hundreds of thousands, from Morocco, Algeria, Bosnia and Albania. In the latest instance, Kurds from Turkey and northem Iraq are landing by the hundreds in Italy and, some, in Greece and then fanning out. Fears of a much greater Kurdish flow are beginning to touch a European political scene demonstrably vulnérable to political backlash.

Inevitably, the Kurdish exodus has fed into the already-boiling dispute over what it will take for the Turks to win the great prize of membership in the European Union. The Turkish Army's conduct in putting down what it describes as a violent separatist uprising by Kurds is at the center of Europe's reluctance to accept Turkey as a democratic equal.

The Turks attribute the flight of Kurds to poverty and crime. Many Europeans lay it to Turkish repression. The foreign minister of Germany, Europe's leading host to the Kurds, now openly urges Turkey "to deal with its internal Kurdish problem, and that does

not mean militarily but politically." Meanwhile, a threat grows to an open interior borders policy that is otherwise celebrated as a jewel in an integrating Europe's crown. The very Kurds whom Italy admits as deserving refugees, Germany bars as undeserving migrants. Such discrepancies are pushing Europe to coordinate member states' immigration and asylum policies—itself no bad thing. Other political pressures are pushing Europe to impede the flow.

The first requirement here is that Europe preserve a generous space for political refugees. It may be hard, especially in Turkish circumstances of widespread uprootedness, to distinguish legitimate refugees from ordinary economic migrants. Americans know this from their own checkered experience. But the task must be done. - THE WASHINGTON POST.

Herald Cribune

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

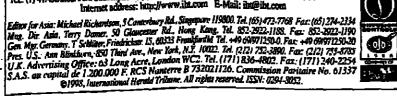
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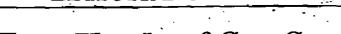
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WASHINGTON — I like to think of the world as four different gas

At the Japanese gas station, gas is \$5 gallon, four uniformed men wait on you and wash your windows and you

drive away at ease. At the American gas station, gas costs \$1 a gallon, you pump it yourself and four homeless people mug you around the corner and steal your hubcaps.

At the European gas station, gasoline costs \$5 a gallon, one person who works 32 hours a week and has six weeks' vacation waits on you, and four people living on generous unemployment insurance play boccie ball across the street.

At the communist gas station, gas costs only 50 cents a gallon but there is none. The four attendants have sold it all on the black market for \$5 a gailon. What is happening, for the moment, is that the American gas station model is triumphing over all others. But not with-

out a struggle. Korea, Japan and the other Asians are scrambling to avoid having to emulate the U.S. system. They like their kind of gas station, which has kept a lor of people employed and preserved social harmony, by using crony

By Thomas L. Friedman

capitalism and walls of protection. Question: What will be the backlash in Asia from everyone's being forced into the U.S. gas station? I see several scenarios:

1. The anti-American backlash. What happened in Asia is that a lot of private businesses in Korea, Indonesia, Malaysia and Thailand, working through their local banks, borrowed money from private American, Japanese and European banks. Then the Asian currencies collapsed and they were unable to pay back their loans. The IMF, to stabilize the situation, steps in and asks the Asian governments to take over the failing banks, in order to sort out the bad loans and repay the foreign banks.

The IMF also insists that these countries open their economies and let foreighers buy controlling interests in local banks and businesses. In return the IMF lends them money to pay off their debts. Then, when the crisis is over and these countries start growing again, their cit-izens can repay the IMF.

In short, the Asians are being told: Let America in, have your taxpayers pay America's banks back, let Americans buy your crown jewels at bargain basement prices and, by the way, get rid of those three extra guys working in your

gas station. Some Asians won't mind this. A Thai friend told me that a friend of his recently lost his wallet with four bank cards in it, one from American Express and three from Bangkok banks. American Express sent him a new card that evening by motor scooter. He still has not heard from the three Bangkok banks. If American Express is now able to buy one of those Bangkok banks and improve its services, will he care? Not at all But a lot of Thai businessmen might when they discover that American Express won't lend money the old crony way, or that they have to sell their Thai hotels and banks to Americans, at fire-sale prices, to stay solvent.

2. The anti-free-market backlash. There is going to be a big push now to find a "third way" between the Amer-ican gas station and the old Asian one. A lot of countries are going to try to avoid huge layoffs by reducing the workweek, pumping some money into the economy (despite the IMF), keeping some large projects going and asking people to save more and cash in their gold earnings.

Maybe they will lay off one of the four people at their gas station but still keep three. Their attitude is that there was an Asian capitalist way before and there can be one again. Anything but the

American gas station. 3. The political backlash. If you talk to Indonesians today, what's interesting is that they don't blame the International Monetary Fund or the United States for their troubles, yet. They blame the corrupt, greedy, unaccountable Subarto ruling family. As they say in Indonesia, ing family. As they say in indonesta, "The Suhartos have everything except a sense of shame." Open markets ultimately need an open political system, and the emerging middle classes in Asia know it and are pressing for it as a result of this crisis.

4. The ethnic backlash. In Indonesia, Thailand and Malaysia, small Chinese merchant classes dominate the economies. If these societies really go into economic turmoil, there is real danger the Chinese minorities throughout Southeast Asia will be anacked. How will China react to that? Hmmm.

My bet: We are going to wimess all four backlashes at the same time. It's not easy to change gas stations.

American Remedies Won't Work in the Asian Crisis

By William Pfaff

PARIS — Currency collapse in Indonesia has outstripped the economic remedies proposed by the International Monetary Fund. This could very likely become the case for Thailand and South Korea as well. A new initiative is needed, which means new thinking.
The economic crisis in Asia is

a crisis of the American model for a globalized economy. Asia's implosion has resulted from the conflict between that American model and an Asian growth model that originated in Japan and was imitated elsewhere.

The IMF's proposed remedies are also American in inspiration. They were developed by the IMF in close cooperation with the Clinton administration Treasury and reflect mainstream U.S. economic views.

Those measures, at least in their initial application, have failed to halt the fall of Asian markets, banks and currencies. They are, additionally, criticized in principle not only in Asia but by influential American economists, such as Jeffrey Sachs of Harvard and Joseph Stiglitz, chief economist of the World Bank, as actually makposing further deflation on act independently.

economies already suffering from deflation. However, no international actor with the power to influence the situation is offering an alternative. It is generally acknowledged that the crisis is worsened by a contagious lack of confidence and by what George Soros politely describes as the tendency of market players to "move in a herdlike fashion."

The IMF itself acknowledges that Russia and Brazil now risk being drawn into the crisis --thus moving economic disrup-tion toward Eastern Europe and into the Americas.

With the United States and its policies at the heart of the problem, it is difficult for Washington, or Washington-based international agencies, to restore confidence without reversing policy (which would itself be no confidence-builder).

If Japan were capable of international initiative, one might imagine an Asian-based international consultation, and regional remedial action, that might halt or slow the crisis. But Japan, for bureaucratic as well ing the situation worse by im- as political reasons, is unable to

If Europe had the central economic directorate it promises to bestow upon itself when it acquires a single currency next year, it might be capable of a constructive initiative. German and French banks have greater loan exposure in Asia than American banks. But the Euro-

so under respectably neutral

The World Economic Forum, which convenes in Davos in three weeks, will bring together. in Switzerland representatives of nearly all the most influential public and private actors in the

the occasion for a new examination of the nature and day with the ingreened a postero task with

sources of the Asian crisis, and for the start of an open-minded reappraisal of economic and institutional measures to slow it

or reverse it. Kemper Research has said, it is evident that the market alone has a record of persistent miscalculation of risk and misallocation of resources. There is an essential role for governments in dealing with what Mr. Hale calls the most important case of transnational financial contagion since the collapse of Austria's Crediranstalt Bank in 1931.

As matters stand, the contagion continues to spread, with China, spared until now because its economy is not deregulated, being drawn toward the deflationary vortex.

If the Hong Kong stock mar-ker fails, — it is down by more than a third since the high that followed Hong Kong's takeover by China --- pressure on the dollar-linked but China-supported Hong Kong dollar could force devaluation of China's own currency. That would explosively enlarge the crisis, which then almost certainly could no longer be confined to Asia.

The Asian growth model originated in Japan and produced

rapid industrialization and export-led growth through a stateinfluenced system of close cooperation between bankers and industrialists. It could sustain As David Hale of Zurich higher debt levels than Western systems because industry, banks and government were collaborating in what was viewed as a national enterprise.

The United States has for years attempted to destroy this Asian model because of its protectionist and statist features. Mr. Hale writes of what now

has happened to Korea: "The shattering of this economic model as a result of foreign banks suddenly withdrawing their funding ... is going to produce a legacy of distrust and resentment which will have long-term political implications.

This is why American-inspired remedies to the problems Asia no longer possess the credibility they possessed be-fore Thailand's finances collapsed. That provided the first falling domino in a sequence that has yet to be interrupted. whose political consequences could prove more dangerous than the economic ones.

International Herald Tribune.

Don't Encourage Separatist Aims of Kosovo Albanians

OS ANGELES -- With at-Letention transfixed by Asia's economic travails, it is easy to forget yesterday's foreign policy fixations. Bosnia, for example. Having talked a big game of resistance, the U.S. Congress has acquiesced in the

administration's decision to extend the U.S. mission there with barely a murmur of protest. Such moments of inattention can be exceedingly dangerous.
Especially when, as is happening today, America's friends are launching policy ini-

tiatives that may reignite a Bal-kan shooting war — this time with U.S. forces at the center.
The issue is a new German and French plan for Kosovo.

Kosovo is a small, economically backward region inside Serbia populated by a large majority of ethnic Albanian

By Jonathan Clarke Muslims. The trouble is that atory, cautious posture by al-

their civilization. All the makings of tragedy are present: The Kosovo Albanian leaders demand instant independence, a demand backed up by

shadowy "liberation army." On the Serbian side, extremists like Vojišlav Seselj are exploiting patriotic passions over Kosovo to outflank political moderates inside Serbia proper. Communal violence is already

assassinations carried out by a

erupting. Arms are plentiful. In 1991, secessionist pressures paved the way for the disintegration of Yugoslavia and the resultant Bosnian tragedy. With this lesson still fresh, it might be expected that Western

policy would adopt a concili-

Serbs regard it as the cradle of lowing existing regional initiatives time to take root.

One such is the agreement reached Nov. 4 by President Slobodan Milosevic of Yugoslavia and Albania's Prime Minister Fatos Nano to consult closely about Kosovo's future. This is an encouraging development, fueled by a new Greek political and economic interest in the Balkans. A Balkan summit meeting in Crete in November promised closer regional economic integration, a develop-ment that might ease Kosovo's

dire economic problems. This is too simple for Germany. And U.S. actions threaten to make the situation even more volatile.

Having apparently learned

the end of November exhorting Kosovo's future.

Not surprisingly, those ac-The circumstances are haunt-

finalized Maastricht treaty. Today, similar conditions an-

ply. With European monetary union on the horizon, Britain and France are once again in thrall to

today with potentially more serious consequences.

Ethnic Albanians are spread widely throughout the Balkans: in Montenegro, in the former Yugoslav republic of Macedonia, in Bulgaria, in Greece and, of course, in Albania. If they conclude that they have Western backing for secession from Serbia, they may act rashly. Ethnic violence might well spill over to involve all of the Balkans.

This is an extraordinarily unattractive scenario with special negatives for the United States: War in Kosovo could prolong the Bosnian deployment indefinitely.

The Clinton administration needs to take immediate action. Its first target must be the selfappointed nation-builders on the U.S. team who are itching to put their pet theories to the test. The State Department's Bosnia supremo, Robert Gelbard, for example, has brought prominent Kosovo Albanians to Washington to showcase their demands

With U.S. troops on the line, the administration and Congress should put all of America's efforts into establishing a peace in Bosnia that is durable enough to influence peace in Kosovo.

The writer is a former member of the British foreign service who is affiliated with the Cato Institute. He contributed this comment to the Los Angeles Times.

there has been wholesale adulteration of bread in many parts of France. The deleterious matter mixed with the flour with which this bread was made was nothing less than sawdust, reduced to a fine powder. A man named Fessat, who has, presumably, been making a large fortune by selling, in connivance with millers, a mixture of sawdust and flour, has been arrested.

[Dec. 11]. There was great animation in the streets, which were thronged with factory workers eagerly awaiting the coming of the French. It was evident that the crowds were hostile, but they were in a cowed mood and afraid to give vent to their feelings,

MOSCOW Alexander Fadeyev, leading Soviet novelist and president of the Soviet Writers' Union, attacked himself for having written the passages in his best-selling noval. "Young Guard," for which he was recently criticized by two Communist party organs. He promised to rewrite the book to make it correspond to the de-

Disingenuous Shock and Dismay

NEW YORK — No one who has known and admired David Brinkley - and that includes me - can be anything other than saddened by his new, undignified TV role as corporate spokesman for Archer Daniels Midland. But at least Mr. Brinkley waited to retire from broadcast news before he entered the commercial arena. What's his colleagues' excuse?

Tacky as these spots are, they are hardly the pressing scandal right now in TV news, where working journalists blur the line between commerce and journalism every day, pitching products on the air without even bothering to label those pitches as the commercials they are.

Nowhere has this problem been more acute than at Mr. Brinkley's former employer, ABC News, where Good Morning America" on-camera personnel were enlisted to promote a theme park of the network's parent company, Disney.

But you can also find this incessant product-plugging on almost every local news show, as fake stories are dreamed up to promote network movies,. series and specials. My enterprising local NBC affiliate in New York has gone

so far as to hyperventilate about previously little-known

By Frank Rich

Nazi activity in World War IIera Long Island as a tie-in to ts network's airing of 'Schindler's List.'' From the reaction of other

journalists to Mr. Brinkley's fall from grace, though, you'd think TV news had never been more pure. This hypocrisy boiled over on Thursday, in a piece by The Washington Post's media critic, Howard Kurtz, in which we learned that "even some of Brinkley's former colleagues at ABC say privately they are heartbroken over his new calling" (IHT, Jan. 10).

In the story, Daniel Schott. now a senior news analyst for National Public Radio, went into overdrive lamenting how "dismayed and shocked" he was at the Brinkley spots, noting that the former newsman should be "a role model for young people."

Much as I respect Mr.

Schorr, his moralizing would have been easier to take if I also appeared in a cheesier potboiler, "The Net," the year before.

Last summer almost a dozen

CNN correspondents turned up

in the sci-fi film "Contact," including one reporter who was then covering real-life space exploration for that network.

Just how much this revolving door between TV news and Hollywood's celebrity culture undermines the public's already shaky trust in journalism was best stated by the news anchor Tom Brokaw when he explained why he de-clines movie roles: "It's hard enough for television journalists to convince people that we do our own reporting and write our own material."

None of his former colleagues' corner-cutting makes Mr. Brinkley's new career any more appetizing, but after the dismay and shock subside, who in broadcast news will blow the whistle on the business's other nefarious practices? Not the least of these in-

volves Archer Daniels Midland's long effort to minimize tough broadcast journalistic scrutiny of its political contributions and resulting corporate pork by sponsoring not just ABC's "This Week" but fictional anchor opposite Michael Douglas in a Hollywood thriller, "The Game," having also appeared in a chael of the state of the stat hitting story that once upon a time we expected from both David Brinkley and Daniel

The New York Times.

peans renounced an independent role in world economic affairs 50 years ago, and despite the EU's enormous economic power today have never claimed it back. However, is it imaginable that Japan and the European Union might work jointly to develop proposals for stopping what could eventually become global deflation if they could do

auspices? Could they do so in terms that Washington could endorse without dominating?

world economy today. This meeting might be made

> nothing from their ill-judged intervention in 1991, the German and French foreign ministers sent a crisply worded letter to Serbia and Kosovo leaders at

> them to start a dialogue about tions hardened Kosovo's demands for independence and promoted a Serbian walkout at a December conference reviewing the Dayton peace accords.

> ingly familiar. In 1991, Germany's partners were aghast at its premature recognition of Croatia and Slovenia but were powerless to protest. Both Britain and France needed German assistance with the about-to-be-

Germany. Their stake in the evolving EU financial architecture is more important than Kosovo. So they are content to go along with Germany on this apparently peripheral issue.
In 1991, Germany thought it was being helpful. By involving the international community in

the Balkan dispute, it expected to deflect the tide of war. The opposite happened. The same risk from well-meaning but fundamentally ill-conceived outside intervention is present

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Sawdust Bread PARIS - For the past two years

1923: Ruhr Seizure

ESSEN - The military might of France lies heavy upon the Ruhr Valley with the completion of the first steps for the enforcement of the French policy of productive guarantees. The forward move of the French and Belgians for the occupation of Essen and other industrial centres of the Ruhr began long before dawn to-day

1948: Novel Assailed

mands of the Communist party as picturing the Bolsheviks as inferior to the Young Companies in the guardila was against nists in the guerrilla war against the German invaders.

Kinds of Backlash

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HEALTH/SCIENCE



How the Bug Keeps Snug in Wintertime

By Jane E. Brody New York Times Service

EW YORK - There are good reasons that insects, not people, are the dominant form of multicellular life on earth. Not the least of them is the ability to survive extreme environmental stress, particularly the harsh winters in the temperate and polar regions.

While humans have only a limited number of options for keeping warm in winter — donning extra clothing, stay-ing in heated buildings and heading for hotter climes — insects have evolved myriad strategies to survive winter's frigid conditions, including the ability to greatly lower their freezing points and, for some, to tolerate being frozen

On Ellesmere Island, 500 miles (800 kilometers) from the North Pole, for example, an Arctic woolly bear caterpillar lies frozen for 10 months of the year, capable of surviving temperatures as low as 126 degrees Fahrenheit below the freezing point of water. With only two frost-free months each year to develop, this insect can take as many as 20 years to get through its life cycle, from egg to adult moth.

By Susan Okie

Washington Post Service

ASHINGTON - Prints and vegetables

contain a type of potassium salt, po-tassium citrate, that appears to lower

blood pressure and may reduce the risk

70 percent of its body water frozen, even when temperatures dip to minus 90 de-grees Fahrenheit, 122 degrees below

Why don't their delicate larval cells rupture when their body water turns to ice, and how do they avoid freezer burn? The answer, say entomologists who specialize in how insects make it through the winter, lies primarily in their ability to stoke their bodies with protective compounds, like the ones used to preserve sperm, embryos and blood cells when they are stored frozen in liquid nitrogen.

Unraveling the mysteries of how various insects cope with winter is giving researchers new handles on the biological control of insect pests, in-cluding ways to foil the cold-hardiness of crop-damaging pests while reducing agriculture's dependence on toxic

For example, Dr. Marcia Lee, a microbiologist at Miami University in Oxford, Ohio, said a number of laboratories were studying the bacteria and fungi that raise the freezing point of insect pests. The goal is to cause the

Some Salts May Reduce Risk of Stroke

back on salt. On the other hand, patients taking

divretics for high blood pressure are often prescribed

supplements of potassium chloride, since potassium

is considered beneficial. But the new research sug-

gests that at least in some people, chloride — whether

it's combined with sodium or with potassium - also

may raise blood pressure.

Researchers at the University of California San

Francisco compared the effects of various potassium

compounds in the diet of rats genetically predisposed

Another cryogenic wonder, the larva of a fly that forms a spherical gall, or tumor, on goldenrod, can survive with with the bacteria and fungi are the vive. The bacteria and fungi are the same ice-seeding microbes used to make snow on ski slopes.

Other researchers are cashing in on how the predators of crop pests get through the winter. Drs. Maurice and Catherine Tauber, husband-and-wife entomologists at the New York State College of Agriculture and Life Sciences at Cornell University, have shown that they could provide farmers with a ready supply of a valuable predator, the common green lacewing, a devourer of destructive aphids and caterpillars. By understanding the basic biology of lacewing dormancy, the Taubers devised a way to induce dormancy at will. They keep mass-cultured lacewings in cold storage in the off season, then artificially break the dormancy and have the insects produce as many eggs as they would have if they had not been stored.

Dr. Maurice Tanber said, "Even with those insects that don't undergo a classic hibernation, we've learned how to induce cold hardiness and store them for months" so they can be released over a

As cold-blooded creatures, arthro-

(high blood pressure) are usually counseled to cut to high blood pressure and stroke. During the three-

pods that breed in the temperate and arctic zones have one all-consuming winter task: to find some way to keep from freezing to death. Dr. Lee's husband, Dr. Richard Lee, an insect physiologist at Miami University in Ohio, explained that most insects avoided freezing by behavioral adaptations. Some, like the monarch butterfly, migrate long distances to warmer territories, using the ever-shorter days of late summer as their clue to head south before the fall chill makes flying too difficult for an animal that gets

ANY others burrow deep into the soil or head for the bottom of a lake, below the frost line. Ants, for example, may dig down six feet, then form a tight huddle at the end of the tunnel to

Dr. Richard Lee explained that in response to environmental clues indicating the coming of winter — like shorter days, lower temperatures and the death of host plants -- many insects that would die if they froze produce prodifield at the right time to attack an insect gious quantities of antifreeze, primarily glycerol, sorbitol and trehalose (the main blood sugar of insects).

Researchers Choose Sides in Fat Debate

By Gina Kolata New York Times Service

EW YORK -- The editors of the august New England Journal of Medicine gave their guilt-plagued over-weight readers a New Year's gift. Losing weight, they wrote in their Jan. 1 issue, is "an ill-fated New Year's res-

Their evidence is taken from one of the largest studies ever conducted on the risks of obesity. In the study, which was published in the same issue, researchers analyzed the fates of 324,135 white adults who were followed for 12 years. They found that the excess risk of dying associated with obesity was modest and declined as people aged. By age 65, the effect was virtually absent. It disappeared altogether by the time people

But the reaction to the editorial, written by Dr. Marcia Angell and Dr. Jerome P. Kassirer, was decidedly mixed. Many Americans merely shrugged. Here we go again, they said. Another example of scientists saying one thing one day and another thing the next. Why should anyone believe

Outrage was the reaction among medical experts who have made the fight against obesity their life's mission and career. They charged that the em-inent editors trivialized a major medical

So is it risky to be fat? Perhaps, some experts say, the problem is that the question is too vague. A more specific question: Does being fat make it more likely that a person will develop chronic disorders like diabetes, high blood pressure and high levels of blood cholesterol? The answer is a resounding yes.

'Obesity is associated with a tremendous increase in diabetes," said Dr. Claude Bouchard, an obesity researcher at Laval University in Quebec. Fat people are up to five times more likely to develop the disease and three times more likely to develop high blood pressure, Dr. Bouchard said.

Another question: Is there an ideal weight (one at which the risk of dying is lowest)? The answer is, once again, Dr. June Stevens, the lead author of the obesity study and an epidemiologist and nutritionist at the University of North Carolina, points out that her data and those of similar studies indicate the ideal weights are pretty much the same as those on the height and weight

The data are associated with a measure called body mass index, in which the ideal is a number between 19 and 25. (To find your body mass index, divide your weight in pounds by your height in feet squared. Then multiply by 4.89. A woman who is 5 feet 5 inches tall and weighs 126 pounds has a body mass index of 21. A man who is 5 feet 10 inches tall and weighs 146 pounds has a body mass index of 21.)

But the question raised by The New England Journal of Medicine editors is different: Does obesity lead to an early death? When they argued that it did not,

the fur flew.

Angell and Kassirer say the evidence that losing weight reduces the risk of premature death is "limited, fragmentary and often ambiguous." Why, they ask, is obesity such a rallying cry for public health and obesity experts, who trumpet it as the second-leading cause of preventable death, after smoking, in the United States?

Could it be, they wrote, that the "medical campaign against obesity" comes from the tendency to "medicalize behavior we do not approve of "? If science can say that obesity is a major cause of premature death, it follows that it must be treated, with drugs if necessary. Doctors repulsed by obesity can justify giving out pills, even those of uncertain value, because it is seen as a major health risk.

Never mind that every drug to date has been only minimally and temporarily effective, and some are even dangerous. The popular fen-phen combination has been banished, after two of the drugs, phenfluramine and dexfenfluramine, were found to be associated with rare and serious heart valve de-

"In this age of political correctness, it seems that obese people can be criticized with impunity, because the critics are merely trying to help them," Angell

IN BRIEF

Clinton Condemns Cloning

WASHINGTON (Combined Dispatches) — President Bill Clinton on Saturday urged swift action by Congress to ban human cloning before a Chicago scientist can begin experiments that the president condemned as "untested and unsafe and morally un-

Strongly denouncing plans an-nounced last week by Dr. Richard Seed, Clinton said human cloning carries profound implications that must be thor-

oughly debated before it could proceed. In his weekly radio address, Clinton not only renewed his call on Congress to pass pending legislation to impose a five-year moratorium on such experiments, but also portrayed Dr. Seed as a scientific renegade.

Thirteen countries on Monday will sign the first binding international ban on human cloning: Denmark, Finland, France, Greece, Iceland, Luxembourg, Norway, Portugal, Romania, San

Marino, Spain, Sweden and Turkey.
The Independent on Sunday newspaper said, meanwhile, that experiments in human cloning could begin in Britain as early as next year. It said the prospect of such experiments would move closer with the publication in coming weeks of an official consultation document explaining the benefits of the controversial Roger Coghill, a scientist of bio-elec-(LAT. Reuters)

17th Victim in Hong Kong

HONG KONG (Reuters) — Hong Kong's Department of Health said a sixyear-old girl had contracted the "avian flu" virus, bringing the number of confirmed cases to 17. The girl in the latest case was ad-

mitted to a hospital on Dec. 7, before the authorities ordered that all chickens in Hong Kong be slaughtered, a health department spokesman said.

Initial tests had showed no signs of the avian flu and the girl was discharged. But more recent blood test results indicated that she had been infected.

Hong Kong killed 1.4 million chickens and other poultry to minimize the risk of the virus being transmitted to humans by direct contact with live birds.

Mobile Phones Assailed

LONDON (Reuters) - Scientists in Britain are demanding that the mobile telephone, an indispensable modern tool for millions, carry a health warning.

Concerns are mounting about the telephones' potential links to health problems, from headaches to brain tumors.

'Anyone who uses a mobile telephone for more than 20 minutes at a time needs to have their brain tested." said tromagnetics.

of stroke, according to a study of hypertension-prone rats. Common table salt (sodium chloride) tends to increase blood pressure in many people, ostensibly because of the sodium, so those with hypertension

LANGUAGE

Trunk Shows for the High-End Crowd

By William Safire

ASHINGTON — A hot phrase in retailing is trunk show. It is to the selling of clothes and jewelry what the selling of clothes and jewelry what Then it got a little more formal and the tailgate party is to eating out in the more public." With the rise of Amerparking lot at sports events.

Saks Fifth Avenue ad, "with informal modeling from noon to 4." That senhimself? (No - that's his ready-towear division.) What's "informal modeling"? (It's not an all-out fashion show, with runways and music and a bridal gown at the end - just a model or two hanging around the contents of the trunk.) And though even the most unfashionable language maveus know what a trunk is (originally a wooden chest, presumably first made from a tree trunk), what is a

trunk show? "Trunk Shows Hit the Road and Spread the Fashion News' was a headline in The New York Times in 1971. The article, by Joan Cook, reported that road with representative collections of classic clothes, countering the well-publicized European collections of publicized European collections of cutting-edge fashions: "In some incutting-edge fashions: "In some incutting-edge fashions: "In some incutting-edge fashions: "The word trunk is a cupulement for "rich") is Weh today being extended to a wider client. "We word trunk is a cupulement for "rich") is Weh today being extended to a wider client. "He can be added to a wider client. The word trunk is a cupulement for "rich") is well-will be added to a wider client. The word trunk is a cupulement for "rich") is well-will be added to a wider client. The word trunk is a cupulement for "rich") is well-will be added to a wider client. The word trunk is a cupulement for "rich" is a cupulement for "rich") is well-will be added to a wider client. The word trunk is a cupulement for "rich" is a cupulement for "rich" is a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for "rich" is well-will be added to a wider client for a cupulement for a cupul stances, the designer is on hand for an

added smattering of glamour. II: "Manufacturers would pack up a thick canvas garment bags."

direct to her, and sometimes invited a ican designers in the '50s, the showing "Emanuel Ungaro Parallele Spring of "designer fashion" took off, and the 1998 Trunk Show" announces the trunk show was the vehicle for personal appearances by the new celebrities.

The attraction for the local store tence triggered three questions: Does buyer, and for the ultimate purchaser, was an advance look at the designer's line. "T've never been able to do trunk shows," Hillary Rodham Clinton

> In some instances, the designer is on hand for an added smattering of glamour.'

told Vogue in 1993, "because I can't think that far ahead." The advance look available to a se-

(high-end, associated with top of the going—and for most people, this is the line, is a euphemism for "rich") is Web or another computer—you are

date," the designer is on name for all date, "the designer Bill Blass, who has been doing these shows for 40 years, tells me. "These date the state of the state bernadine Morris, a former rasmon writer for The New York Times, recalls tells me. "These days the whole collection is packed in three or four really trunk shows starting before World War thick canvas parment beau."

to, say, Macy's in Colorado. The buyer was happy to have the clothes come

Does this mean that the trunk—used by the Parisian dress-packer Louis Vuitton in 1837—is passé, now Does this mean that the trunk that the era of the trunk show is upon few clients to come and take a look. us? "I still see some representatives with packing cases," Blass recalls, "coffinlike things laid flat with the clothes strapped in. They are a bit cumbersome, and I imagine the clothes get wrinkled."

> Two headlines from the same issue of The New York Times came in from Omar Gharzeddine of New York. One read: "After a Delay, Text Gets Out On Internet" and the other: "Apple to Offer Custom Orders Over the Internet." He asks: "What's the differ-

One moves, the other sits — that is, one deals with transmission, the other with storage. "Over refers to transmission," says Harry Newton, author of Newton's Telecom Dictionary. 'The Internet is really a transport mechanism, just a method of getting from lect group of high-end customers A to B. When you get where you are

> Here am I, with my column available on the Internet (at www.nytimes.com). There it sits, on. You can get it, or access it, over the

I'm doing my best to keep up. I don't say "w, w, w" anymore — just a breezy "Web." Saves eight syllables. New York Times Service

BOOKS

month study, the animals fed a supplement of po-

tassium citrate or potassium bicarbonate had con-

sistently lower blood pressure than a control group and

suffered no strokes, while those fed potassium chlor-

As in the rats, the researchers suggest, chloride may

exacerbate high blood pressure in people who are

genetically sensitive to it. The potassium citrate found

naturally in produce, however, may help keep blood

ide had higher blood pressure and more strokes.

pressure under control.

The Road to Dolly, and the Path Ahead

By Gina Kolata 276 pages. William Morrow. \$23.

Reviewed by Ed Regis

CLONING, before it happened, was another of those science-fiction bugaboos, a prospect whose horror quotient ranked just below that of reanimated corpses or a walking, talking Frankenstein monster. It was not supposed to be possible: The laws of name. scientists said, precluded it.

In 1984 James McGrath and Davor Solter, two developmental biologists who ought to have known better, wrote in the pages of Science magazine: "The cloning of mammals, by simple nuclear transfer, is biologically impossible."

It wasn't, but the technical obstacles seemed considerable at the time, at least to them. As for the moral problems, they fell into a class by themselves and prompted a cadre of professional doomsayers to cook up entire flotillas of worst-case scenarios: madmen getting hold of a lock of Madonna's hair and producing a hundred Madonna clones, for what conceivable reason God only knew.

Neither the scientific skeptics nor the trained Cassandras would ever have imagined that when the impossible was finally done, it would be accomplished not by mad scientists nor by academic biologists at a prestigious university but by a pair of backwoods livestock scientists whose goal was not to understand nature in the abstract but to establish a fundamentally new way of

The fearsome clone, when it appeared, was not a Frankenstein monster

but a soft white lamb named Dolly that emerged from the womb, head and forelegs first, onto the straw bedding of an animal shed in Roslin, Scotland.

Gina Kolata's "Clone" is the story of all this. Clear, detailed and knowledgeable, it blazes through dark thickets of apocalyptic nonsense about the ultimate meaning of cloning, whether animal or human. And the tale Kolata weaves is almost unbearably suspenseful as scientists bent on manipulating nature for their own ends surmount each successive obstacle only to come up against another, even greater one.

By the time all the barriers fall away and the impossible has been accomplished, the reader experiences not merely the thrill of success but actual ennoblement, proud that we as a species have managed to perform this phenom-

enal feat of applied biology.

The paradox was that Ian Wilmut, Dolly's creator, was looking only for a better way to make pharmaceuticals. His sponsor, PPL Therapeutics Ltd., a biotechnology company with headquar-ters in Edinburgh, had shown that genetically engineered sheep could be made to manufacture certain drugs in their milk, substances that could be used to treat hemophilia, cystic fibrosis and other human diseases. Sheep with the properly altered genes would make such drugs automatically, right along with

their ordinary milk. If those sheep could be cloned, writes Kolata, a science reporter for The New York Times, then the company could simply milk the sheep, extract the drug from the milk and sell it. If they made both male and female sheep that carried the added gene, they could breed these sheep and have a self-perpetuating flock of living drug factories.

Cloning didn't sound all that hard. To

clone an animal, take an egg from the ovary of animal X and physically remove its genetic material. Take the genetic material from the cell of animal Y and insert it into X's empty egg. Finally, implant that egg into the womb of animal Z, cross your fingers and hope for the best

If the process worked, the result would be an identical new copy of Y, a

But several problems stood in the way of producing the first clone. One was that all the cells of an adult animal are differentiated: They are liver cells, skin cells, brain cells or whatever,

Although it was a fundamental doctrine of molecular biology that every nucleated cell contained all the genetic information needed to make a new organism, it still wasn't obvious that as a practical matter you could take the nucleus of a given differentiated cell and generate from it a new copy of the original creature. Perhaps the nucleus had been altered in the process of differentiation, so that the necessary information, although still there in the DNA, was unusable.

RAIN cells, after all, were brain cells forever; they never changed into liver or skin cells. So once a given cell had decided to be whatever it is, how could you make it decide to start dividing again and grow into a whole new animal?

Following the progress of these ex-perts and understanding the science behind each step in their quest ultimately dispels the seeming horror of cloning. In the end, when Dolly finally emerges from the womb, the most famous little lamb in history, the event is as joyful and wondrous as any other live birth.

New York Times Service

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Technology and the Media Titan Will the Giants Lose Their Audience in the Digital Age?

By Mark Landler

NEW YORK — Early one morning in July, five of the media industry's most powerful executives gathered around a table before a select audience in a windowless conference room at Idaho's Sun Valley Lodge.

The atmosphere at the conference was aggressively casual — just five guys in chinos and polo shirts chatting about world domination.

It was a formidable lineup: Rupert Murdoch, head of News Corp.; Gerald Levin, chairman of Time Warner Inc.; David Geffen of SKG DreamWorks; Barry Diller, chief of USA Networks Inc., and Edgar Bronfman Jr., head of Seagram Corp., which owns the MCA

But this particular morning, the tycoons were about to be taken down a notch. Andrew Grove, chief executive of Intel Corp., moderated the discussion. Or more precisely, he commandeered it. Mr. Grove's complaint was that the five ### @ panelists were Luddites. Di-

gital technology and the Internet were transforming the worlds of media and entertainment, but these captains of industry were resisting the change.
"They don't get technology," Mr.
Grove said in an interview that re-

called his comments in the closeddoor session, "and they think it poses a threat to their core business."

Maybe the media executives are right to be scared. It is unfashionable in this era of techno-intoxication to suggest that technology could result in anything but boundless growth. But for traditional media companies, the digital age poses genuine danger.

By splintering the mass market into a kaleidoscope of narrow niches, technology is threatening to deprive Time Warner Inc., Walt Disney Co., Viacom Inc. and their peers of the mass andiences on which they depend for ad-

vertising revenues. Reed Hundt, former chairman of the Federal Communications Commission, said, "The fundamental premises of the media business have been eroding even as the big firms have engaged

in high-wire deal-making."
In 1994, Mr. Levin of Time Warner trumpeted plans for the company's Orlando, Florida, cable system, which would offer movies on demand and an electronic shopping mall. "When I ized the previous year, 'T'll be able to switch to anything, anywhere." Similarly, John Malone chairman of Tele-Communications Inc., the largest U.S. cable operator, promised to deliver viewers a 500-channel world.

Media chiefs believed their revenues would explode if they could offer

viewers an endlessly varied menu of their hands about how to use the tech-programs. What few of them realized nology. They worry that they will not was that the technology for genuine interactivity was still years away — and that no economic model had been

devised to support it.

In the meantime, by rushing from mass to niche programming, they were whittling away the economic underpinnings of their business. Mass media, of course, had been splintering ever since the emergence of cable television in the 1970s. But with the onset of digital technology and the Internet, the

fragmentation is accelerating. It is the Internet, in particular, that has media executives spooked. They did nothing to develop it and little to popularize it. And even now, though they all maintain sites on the World Wide

Web -- some of them, like the Disneyowned ESPN Sportzone, are extremely popular — it is not clear how genuinely the media

chiefs embrace the Net. While computer executives see the Internet as a vast new business opportunity, media executives worry about losing television viewers.

Another big problem for media executives is that they have been re-soundingly unsuccessful in squeezing a profit out of the World Wide Web.

On cable, meanwhile, where digital technology is allowing the giants to edge closer to their varieted 500-channel universe, the dial is filling up with safe choices rather than the diversity that big media companies seemed to promise. Cable subscribers in New. York City, for example, can watch the news on at least five different cable channels, in addition to local broadcast stations. Most of these usually draw ny ratings. Other choices on the dial, such as American Movie Classics or Turner Classic Movies, have loyal viewers. But they exist not so much to slake a public thirst as to recycle material stored in vast film libraries.

"As you go from 35 channels to 75 channels," said Howard Stringer, the president of Sony Corp. of America, 'you diminish the audience for everything. That makes it harder to generate the advertising revenue for quality programming.'

The squeeze will become even more acute with the introduction of digital TV this summer, which will allow broadcasters to transmit six programs. instead of one, on a single channel, or else to transmit that single channel in a high-definition form. With the cost for the conversion to digital running into the billions, the networks are wringing nology. They worry that they will not be able to squeeze another nickel out

of their advertisers, let alone come up with anything original to broadcast.

To hear Mr. Grove and Mr. Hundt talk, the media industry is about where the horse-and-buggy business was when Henry Ford completed up his on when Henry Ford cranked up his assembly line. Mr. Hundt said that people no longer wanted to consume news or entertainment passively. In the future, he predicted, all media would be interactive.

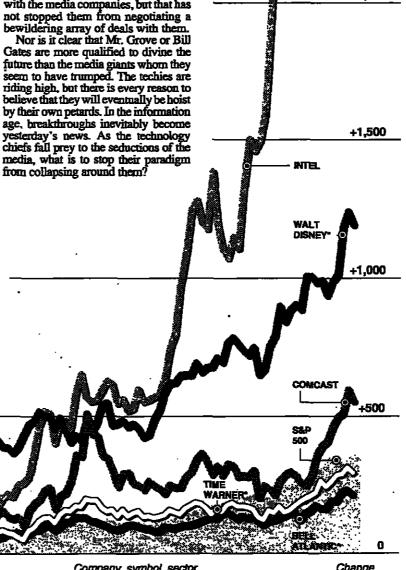
Media executives dismiss such doomsaying as naive. "These guys say that movies and TV shows are antique forms of entertainment," Mr. Diller said. "But to think that passive entertainment is going to end is absurd."

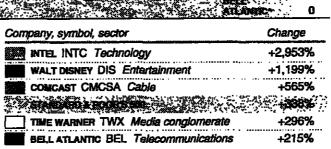
He has a point. From "Seinfeld" to "Titanic," television programs and films still have the power to draw mass audiences. Moreover, the media executives' old contentions about the power of their pipelines into the home

are getting a new hearing.

Shares of Time Warner and TCI have rebounded in the last year. largely because of renewed hopes that cable networks can provide highspeed connections to the Internet. Microsoft and Intel may be frustrated with the media companies, but that has not stopped them from negotiating a

Nor is it clear that Mr. Grove or Bill Gates are more qualified to divine the future than the media giants whom they seem to have trumped. The techies are riding high, but there is every reason to believe that they will eventually be hoist by their own petards. In the information age, breakthroughs inevitably become yesterday's news. As the technology chiefs fall prey to the seductions of the media, what is to stop their paradigm from collapsing around them?





"Time Inc. and Warner Communications merged in 1990; Walt Disney acquired Capital Cities/ABC in 1996; Bell Atlantic merged with Nynex in 1997.

First Pacific to Sell Stake in Dutch Firm

Realignment Spurred by Asian Collapse

HONG KONG — First Pacific Co. agreed to sell its stake in Hagemeyer NV for about \$1.55 billion and plans to sell other businesses and buy new ones after the financial turmoil sweeping Asia hurt profit and sent its stock turn-

bling.
The Hong Kong-based company said it would sell its 40 percent of the Dutch trading company to American and European investors. It is also negotiating to sell other the businesses for about \$450 million and plans to use the combined proceeds to reduce its debt and make new acquisitions in Asia, executives

The realignment is one of the biggest yet sparked by the collapse of Asian shares and currencies and the looming recessions some of the region's countries now face. First Pacific's own stock fell 43 percent last week alone.

+2,500

+2,000

"What's been happening in the region has kept us on the run 24 hours a day," said the First Pacific managing director, Manuel Pangilinan. "But we are a strong company and not running to the graveyard.

First Pacific, whose businesses include banking, property and telecom-munications, will use some of the \$2 billion in proceeds to buy Asian companies made cheap by the plunge in the region's currencies and stocks. It is also injecting \$300 million its

Philippine unit, Metro Pacific Corp., seeking new foreign partners for its redevelopment of an army base in Manila and negotiating to buy control of the Philippines' biggest brewery. San Miguel Corp., Mr. Pangilinan said.

First Pacific shares fell 78 percent in the past six months, the worst performance in Hong Kong's 33-company Hang Seng Index. Last week, shares in

the 16-year-old company fell to a four-and-a-half year low of 2.15 Hong Kong dollars (28 U.S. cents).

Weakening currencies cut the volume and value of First Pacific's sales. The earnings it is to report in March were cut by \$25 million in lost revenue and \$70 million in one-time foreign-exchange

By selling Hagemeyer, First Pacific will trade its fastest-growing business for a chance to reduce its debt and

sharpen its focus on Asia, analysts said. Hagemeyer contributes a third of the company's profit. The car and appliance trader's sales are expected to grow an average of 15 percent a year for the next decade, while the rest of First Pacific's business grows less than 10 percent, said Steven Thompson, head of research

at Nikko Securities in Hong Kong. Still, selling the Dutch unit will allow First Pucific to wipe \$1.1 billion off its own \$3.2 billion of total debt without spending a penny, by allowing it to stop consolidating the two company's ac-

First Pacific also plans to use about \$550 million of the cash raised to cut its own debt, leaving it with only \$350 million outstanding in the form of convertible bonds.

■ Metro Pacific Stock Offering

The chairman of Metro Pacific Corp. said the company planned to sell 14 billion pesos (\$300 million) of stock to its shareholders to help shore up its finances, Bloomberg News reported

from Hong Kong.
The Manila-based company, whose businesses include property, banking and packaging, plans to hold the sale by July, said Mr. Pangilinan, the company's chairman and managing director of its parent, First Pacific Co.

Yukos to Prospect for Oil With Bids for State Firms

CAMBRIDGE, Massachusetts -AO Yukos Holding, Russia's secondlargest oil producer, plans to submit bids in the sale of state-owned oil companies, according to the company's de chairman, Vasili Shakhnovsky.

Mr. Shakhnovsky also said Saturday that Yukos may form a joint venture with Amoco Corp. of the United States.

"We've been holding discussions with Amoco for quite some time, and it's possible we will form a partnership," Mr. Shakhnovsky said. Amoco has also been discussing a venture with Yukos to develop the Russian company's Priobskoye oil field in Siberia.

Yukos is one of several companies interested in making a bid for RAO Rosneft, the last major state-owned oil producer. The government also is planning to sell its interest in AO Tyumen Oil Co., the nation's sixth-largest oil

Mr. Shakhnovsky, who gave a presentation at a U.S.- Russian investment symposium at Harvard University's John F. Kennedy School of Government on Saturday, did not say whether Yukos intended to make a bid for Rosneft, Tyumen or both.

Separately, Alexander Zourabov, president of Russia's Menatep Bank, said it would not be a buyer at the next auction of Russian state-run enterprises,

organizing financing. Mr. Zourabov also spoke at the symposium. Menatep holds a controlling interest in Yukos.

Other companies that are said to be considering making a did to di trolling stake in Rosneft include RAO Gazprom, the Russian natural gas monopoly, and AO Lukoil Holding, the country's largest oil producer.

Under the plan, the government in tends to sell more than 50 percent of Rosneft, whose assets have been valued at as much as \$2 billion and include AO Purneftegaz, in Siberia, and AO Sakhalinmorneftegaz, in the Russian Far East.

The Ministry of State Property is expected to announce the winner of the auction for Rosneft by April. For U.S.-based oil companies, the oil

reserves of the former Soviet Union are considered one of the industry's last untapped prizes. That has been the case since Russia

first opened the industry to foreign investment in 1987. Russia alone has 49 billion barrels of proven oil reserves, triple the size of the oil fields of the North Sea, according to estimates from British Petroleum PLC.

BP has a joint venture agreement with one of Russia's largest energy companies, AO Sidanco, and Royal Dutch/ Shell Group recently made a direct investment in Gazprom.

Taiwan's Business Elite Looks for Investment Bargains in Battered Region Having weathered the last ber of concerns, including year with a relatively small prolonged economic turmoil, decline of its currency against possible competitive devalu-

ations and a fear of a back-

lash against Chinese in

stable enough yet for invest-

ment, so I am just going to

Taiwan investments in

"The situation is not

Southeast Asia.

By Thomas Crampton International Herald Tribune

TAIPEI - Taiwan's economic elite flew to the Philippines on Sunday to kick off

a 10-day bargain hunt among

the devastated economies of Southeast Asia.

In what might prove a disappointment to the hosts, however, many on the trip said they would be merely window shopping.

Media companies are glamorous, but for investors, the Media Decade was a mixed

investors would have been far happier with stock in a technology company like Intel

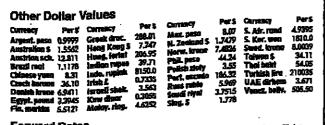
than with their flashy media shares. Chart shows percentage changes in stock prices

bag. As this sampling of companies in several communications sectors shows,

since the beginning of 1986, plotted monthly except January 1998.

CURRENCY RATES

Costings in Amsterdam, London, Milan, Ports and Zurich, fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M. a: To buy one pound; n: To buy one dollor; "Units of 100; N.Q.: not quoted; N.A.: not



30-day 40-day 99-day Point Starting 1.6130 1.6166 1.6081 Canadian deller 1.6232 1.6230 1.6209 Destricte mark 1.6190 1.6162 1.6130 Sources: ING Bank (Amsterdam): Cerd Investment Bank (Brussels): Banca Communts. Nationa (Milan): Banque de Franca (Park): Bank of Tokyo-Müsubishi (Tokyo): Royal Bank of Canada (Taroafa): IMF (SDR). Other data from the Associated Press, Bioembe

private financing.

declined by as much as 80 study which Japanese and percent - are offering assets Korean subsidiaries could be for a fraction of last year's sold to our members, "said Li cost. Taiwan's government has said it would encourage Chang, deputy secretary-general of the Taipei Computer Association. Southeast Asian investment with low-interest loans and technical assistance. But members of the 60member delegation said it

decline of its currency against

the U.S. dollar, Taiwan Inc.

in the Philippines, Thailand,

Malaysia and Indonesia —

where local currencies have

Cash-strapped companies

has newfound wealth.

Southeast Asia have not gone unscathed in the region's economic plunge. On Friday, was unlikely they would inlocal papers reported that currency volatility had vest now. They cited a num-

forced the Taiwan food giant President Enterprises to suspend 20 billion Taiwan dol-lars (\$587 million) worth of investments in the Philip-

"One company boss told me that the last six months of crisis in Malaysia have wiped out five years of profits because of falling land and as-set values," Mr. Li said.

"The Indonesian political situation is too unpredictable," said a member of the Taiwan delegation. "In all of these countries apart from Thailand there might be a reassertion of anti-Chinese sentiment. Our businessmen are always in its shadow."

whether China will devalue the yuan, said Thomas Yeh, director-general of the economic research at the government's Council for Economic Planning and Development.

"I have come on this trip

chapter in my book about of Southeast Asia, which world trade," said Chen Shui-shen, chairman of the been growing at 1 percent a Taiwan Bicycle Group. "As for investment, we must wait and see for a while, but I am going with a very open mind." Taiwan is the Taiwan is the

Many may also hold off bicycles and Mr. Chen is Mr. Yeh said. "We want to investment until it is clear chairman of the bicycle in- make Southeast Asia our madustry's association. *So far we have invested

too much in China, so we need to change the direction of our investment," Mr. Chen said. With about \$30 billion from Taiwan, China is the island's largest single to study this epic market overseas investment target. slowdown to include it as a Taiwan's investment in all Taiwan's investment in all

> year, but officials aim to double that pace. "With land and labor

shortages in Taiwan, we want to extend our producworld's biggest exporter of tion lines to Southeast Asia."

jor destination for investment now. The departure of the high-

profile business delegation to the Philippines follows months of concerted diplomatic effort by Taiwan to raise its standing as a friend to troubled Southeast Asia. China, which considers

Taiwan a renegade province, protested the initiative following a "vacation" by the Taiwanese vice president; Lien Chan, in Singapore. Mr. Lien was seen playing golf with senior officials and dined with Lee Kuan Yew, the senior minister.

Asian Debt to Raise Bond Defaults, Moody's Says

1998 as companies in Asia's emerging markets their banking systems and cash reserves. collapse under the weight of their debts, Moody's Investors Service Inc. said.

Nineteen of the 20 bond defaults by Asian borrowers since World War II were in 1997, a have about \$100 billion in foreign currency debt. number that does not fully reflect "the extent or breadth of credit deterioration in Asian economies," Moody's reported Saturday, because most companies get their funds via bank loans or

When a country's currency weakens, compa-

nies' debts rise as they need more money to pay their bills. Indonesian banks and companies now. Noting "a wave of firm closings and bank-ruptcy filings throughout Asia," Moody's said these failures, in turn, "brought some of the larger financial institutions in Korea, Thailand, Indonesia, and Japan to the brink of insolvency.

Thailand, Indonesia and South Korea got financial bailouts from the International Monetary

While help from government and foreign for \$155 billion previous year.

Bloomberg News
Fund in 1997 totaling about \$100 billion as weakLONDON — Bond defaults will increase in ening currencies and mounting debts decimated quidity crisis," Moody's said, "the potential for their banking systems and cash reserves.

Fund in 1997 totaling about \$100 billion as weakening currencies and mounting debts decimated quidity crisis," Moody's said, "the potential for future bond defaults in these countries has been established."

Moody's said that 61 companies worldwide defaulted on \$8.34 billion of long-term bonds in 1997, a 65 percent increase in dollar terms over 1996. Of the 1997 total, 41 defaults occurred in the second half of the year.

Bond sales worldwide in 1997 totaled \$243 billion, an increase of 19 percent from 1996. Of that amount, investment-grade issues accounted for \$155 billion, a 6 percent increase from the

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div., no. 84 s.c.a. to the othice of the undersigned and give instructions for the delivery of the underlying shares to a custodian in the United States of America. The withdrawal charges of the A.D.C. are for the Company but costs of the deposit of the shares with the custodian have to be born by the CDR-holder.

AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 7 January 1998

Do Falling Rates Signal Era of Inflation-Free Growth — or a Dangerous Bubble?

By Carl Gewirtz International Herald Tribune

PARIS - Long-term interest rates PARIS — Long-term interest rates paper at 5.1 percent by year-end, down about the fallout from possible debt morfell to modern lows in the United States and Continental Formattel Frances on perpetuals and Continental Europe last week, rekindling a dispute among leading economists about whether a new era of inis building in financial markets.

would keep inflation and interest rates at gives way to despair. lows. Meanwhile, skeptics of the new economic pandigm are not convinced events in Asia will derail the industrial ends in an overheating economy.

To take two examples of the different subordinated perpetual floating rate notes, points of view. Lehman Brothers sees where interest can be suspended if the will be at 7 percent by year-end.

flation-free growth has begun or views of the future, institutional inwhether a potentially dangerous bubble vestors for the moment are playing it ary, is somewhat misleading as large safe — putting money into government It is an argument economists have been bonds, the most liquid and easiest to writers, who currently are willing to waging for almost a year and those who see a sustainable reduction in inflation are er yield offered on less creditworthy. now even more convinced by the financial less liquid paper that could be more turmoil in Asia that slower world growth difficult to sell if the current euphoria

The rally in government-bond markets has not been fully reflected in other sectors, as evidenced by the widening of countries' business cycle that invariably spreads versus benchmark paper. One attracted huge interest from institutional sector especially hard-hit last week was

the yield on 10-year U.S. government issning banks report a loss. With worries fell by some 4 percentage points.

Overall, bankers report that the enor-Faced with such sharply differing mous volume of new issues in the international market, traditional for Januunsold positions remained with underbuild inventory as issuers rush to lock in the favorable terms now available.

An exception to this trend is the \$4 billion of five-year global bonds being sold by the Federal National Mortgage Association, the U.S. governmentsponsored mortgage writer. Originally targeted to be at least \$2 billion, the issue

for Treasury notes and the promise of

\$35 billion that the agency will raise this trading at a yield of 7 basis points. year through a series of benchmark is-

nual saving on interest payments.

In the floating-rate note market, Mid-

yield of 8.5 basis points over the London interbank offered rate, the notes ended

percent Friday was the first time since November 1985 that U.S. Treasury bonds gained after the government's monthly employment report showed an increase in jobs that exceeded expectations by such a wide margin, according to Logical Information Machines Inc.. Bloomberg News reported Saturday.

The economy added 370,000 jobs in December, 162,000 more than analysts had forecast.

senior debt. Offered at a discount to bought two-year notes Friday amid expectations that fixed-income securities would continue to gain.

Mr. Nisbet said bonds have more room to rally because Asia's financial crisis

The drop in yield on the benchmark 30-year U.S. bond to a record low of 5.69 percent Friday was the first the first transfer of the percent friday was the first transfer of the strong employment results, said John Burgess, a fund manager at Bankers

Trust Global Investment Management.
"The focus is Asia, Asia, Asia. Benchmark 30-year bonds rose 20/32, or \$6.25 per \$1,000 bond, to 105 31/32, sending the yield down 5 basis points, to 5.71 percent. Earlier, yields fell to 5.69 percent, their lowest level since 30-year

bonds went on sale in 1977. The gains come as the economy added "It's amazing that the market is so almost twice the 208,000 jobs analysts resilient," said Garth Nisbet, a fund expected, while the unemployment rate

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3.499 99/30/04 99.2200 3.5300 Italian Lira 243 Morgan Gly Portuguese Escudo 171 Bco Port Atl Fm zero 01/07/07 101-2815 0.0000 217 Robobomk FRN 0.10 04/07/98 100.0000 0.1000 218 BNG FRN 0.10 04/15/98 98.8508 0.1000 **Spanish Peseta** 181 Spain

6 11/12/03 105.9767 5.6600
63e 05/20/98 101.0224 6.37100
3.499 09/30/04 99.2200 3.5300
5 01/07/03 101.2050 4.9400
534 10/20/98 101.1300 5.1900
534 08/20/98 101.2300 5.6800
634 07/29/99 103.2900 6.0500
634 01/20/98 100.0675 6.200
634 01/20/98 100.2700 6.2300
634 01/20/98 101.2700 6.2300
640 06/25/98 101.0900 6.9600
6 08/23/00 103.8900 5.7800 U.S. Dollar

Dutch Guilder 9 01/15/01 112.6000 7.9900
534 02/15/07 104.7000 5.4900
634 07/15/97 101.2500 6.1700
71/2 01/15/23 125.4000 5.9800
2ero 01/15/23 125.4000 5.9800
81/2 03/15/03 117.7000 7.6100
534 03/15/01 117.7000 7.6100
534 03/15/02 104.4100 5.5100
71/2 04/15/10 120.1500 6.2400
634 11/15/05 111.0000 6.0800
634 11/15/05 111.0000 6.0800
634 11/15/05 101.3500 6.4100
71/2 06/15/99 101.3500 5.4700
71/2 06/15/99 103.4000 7.6500
7 03/15/99 103.4000 7.6500
7 03/15/99 103.4000 7.200
81/2 05/15/03 101.000 7.2800
6 01/15/04 106.7000 7.2800
6 01/15/05 112.2500 6.3600
7 02/15/03 110.1000 7.2800
7 04/15/03 110.1000 7.2800
7 04/15/03 113.3000 7.2800
81/2 02/15/03 113.3000 7.2800
81/2 03/15/03 113.3000 6.6200
81/2 03/15/03 113.9500 6.6500
61/2 04/15/03 108.0000 6.0200
81/2 02/15/99 102.9500 6.5500
81/2 06/15/04 123.0500 6.5000
81/2 06/15/05 123.0500 6.5000
81/2 06/15/06 123.0500 6.5000

06/01/06 123.0500 6.9100 05/15/00 110.3000 8.1600 10/01/04 113.1000 6.4100 11/30/00 112.8000 8.2000

investors as a higher yielding surrogate

The notes are the first of an expected

sues that will be sold in a range of maturities from three to 10 years. The minimum size of each issue is to be \$2 billion, and additional supplements may be sold in increments of \$500 million.

Underwriters estimated that more than. half of the issue would be placed outside the United States. The paper is to be priced Monday to yield 19 basis points over comparably dated Treasury notes; that is a spread of 2 basis points less than Fannie Mae has traditionally paid is-suing just domestic debt. On a \$4 billion issue, that amounts to an \$800,000 an-

land Bank sold \$1 billion of five-year manager at Crabbe Huson Group. He rose 0.1 percentage point, to 4.7 percent.

Now Informational Bond tecuse

			•		New International Bond Issues						
	nk Nume	Срп	Maturity	Price Yiel	Compiled by Laurence	e Desvilett	es				
100 -	talian Lira		 -			Amount (millions)	Mat.	Cou %	p. Price	Price	Terms
00 2	13 Morgan Gly	zero	10/30/37	6.2700 7.19	Floating Rate Notes					Week	·
00 <u>-</u>	apanese Y	en			Argentaria Global Finance	\$2.50	2003	0.0	4 99.98		Over 3-morath Libor. Noncollable. Fees 0.20%. (Morgan Stonley Inth.)
00 T	99 CCC!	3	03/18/09	106.5250 2.82 115.8750 3.78		5300	2003	0.0	5 99.966	_	Over 3-month Libor. Nancollable. Fees 0.175%. Denominations \$10,000. (J.P. Margon Securities.)
oo 20	90 Exim Bk Japan 95 World Bank 96 Exim Bk Japan	43/s 51/4 23/s	03/20/02 07/28/05	117.0000 4.49 108.1250 2.66	Caymadrid Inti	\$170	1999	1/4	99,99		Below 6-month Libor. Noncollable. Fees 0.10%. (Morgan Starley Intl.)
00 23 00	7 Greece	2.90	08/08/07	99.2500 2.92	Caymoong inn	\$630	1999				Below 3-month Libor. Nancalishle. Fees 0.05%, (Barcinys Capital Group.)
00 P	ortuguese	Esc	udo		Den norske Bank –	\$400	2003	Ую	99.903	_	Over 3-month Liber. Noncollable. Fees 0.175%. Denominations \$10,000. (ABN—AMRO House Govett.)
00 17 00 21	7 Bco Port Atl Fm 7 Robobank FRN	0.70	04/07/98	701.2815 0.00 100,0000 0.10 98.8508 0.10	6 Huddie Stilk	\$1,000	2003				
00 Z1 00 -	8 BNG FRN	0.10	U4/ 13/78	98.8308 0.10	Popular Finance Suncorp Metway	\$250 \$300	1999	0.20	or 100,079 0 99,917		Interest will be the 3-month Libor. Noncolitable. Fees 0.075%. (Deutsche Morgan Grantell.) Over 3-month Libor. Noncolitable. Fees 0.15%. (Deutsche Morgan Grantell.)
00 <u>5</u>	panish Pes				Bank of Nova Scotia	£250	2003	Hbo			interest will be the 3-month Libor, Nancolobie, Fees Q 1875%. (Barckrys Copile) Group.)
00 <u> </u>	1 Spain	11.45	08/30/98	104.1150 11.000	Export Finance and Insurance Corp.	HK\$1,000	2000	þjþç	or 100.00	_	Interest will be the 1-month Hibor. Noncollable private placement. Fees not disclosed. (HSBC Markets.)
00 S	wedish Kro				Fixed-Coupons						
12	2 Sweden 8 Sweden 9 Sweden	101 <u>4</u> 8 6	08/15/07	110.9190 9.250 116.9850 6.840 102.5630 5.850	o Bayerische Hypomeken	\$200	2002	6	1013/4	100.9	Reoffered of par. Nonocillable. Fees 144%. (ABN-AMRO Houre Govert.)
	5 Sweden	51/2	04/12/02	100.6050 5.470	Bayerische Landesbank	\$250	2000	. 6	101.617	7 5 10 1.07	
10 U	.S. Dollar				BNG	\$400	2001	5%	100,950	5 100.22	million. Fees 144%. (CS First Baston.) Reoffered of 99,763. Noncollable. Fees 144%. (Dresidner Klebawort Berson.)
	7 Brazil 8 Brazil		04/15/14 05/15/27	87.8402 5.120 89.4518 11.320	Council of Europe	\$750	2003		101.585		
0 31 0 34	i Argentina FRN 5 Mexico	6% 11%	03/29/05 05/15/26	84.8160 7.880 118.5000 9.700	0 532 5511	\$200	2003	6	101,445	101.32	Reoffered at 99.62. Nancaliable. Fungible with ovisionaling issue, raising total amount to \$500 million. Fees 1975. (SBC Warburg Dillon Read.)
jo 50	8 Brazii FRN 9 Brazii L FRN 2 Argentina	64/w	01/01/01 04/15/06	65.7344 10.450 81.7839 8.180 108.0000 10.530	Furnnenn Investment Bank	\$750	- 2009	514	707.123	99.63	
i 57		5.74]	01/22/99 09/15/27		O Fannie Mae	\$4,000	2003	oper	n open		Noncollable, Fees 0.10%, Terms to be set Jun. 12. (CS First Boston.)
= 64 74	Bruzil Argenting	514 514	04/15/24 03/31/23	72_3750 7.250 74.6250 7.370	Ford Motor Credit	\$1,000	2003	6	99.974	100.18	
D 77	Argenting Venezuela FRN Voeshonbk Fm	64/4	09/19/27 12/18/07 12/02/15	94.7500 10.290 87.8800 7.750 67.0000 10.030	O VENU Late Cina and	\$1,000 \$500	2003	5% 5%		99.73	
0 79	Mexico Itoly	614		84.1563 7.430	l Bank	\$250	2002		101.275	<u> </u>	
<u>0</u> 84	Russia Brazil FRN	10 6™6	04/24/07 04/15/24	90.0623 17.100 79.1300 8.450	LB Rheinland-Pfalz	\$115	2002	5.40	100.00		Quarterly. Noncollable private placement. Fees 1.20%. Denominations \$10.000. (IBJ Intl.)
Q 89	Mexico Bulgarla FRN	67/16		84.5000 7.400 71.1502 9.400	o come capital corp.	\$200	2007		98.1235		
0 101	Venezuelg par A I DSL I NAB FRN	6	03/31/20 01/07/03 01/21/08		Capital Markets	. \$500	2008	6	101,649	100.50	Noncollable, Fees 2%. (CS First Boston.)
<u>0</u> 113	Brozil FRN Brozil FRN	674	04/15/09	79.4750 8.490 73.4063 9.200	9 World Bank 9 ————————————————————————————————————	\$200	2001	3			Semionnually. Honcollable private placement. Fees 14%. (Nikks Europe.)
0 131	BGB Fin Argenting FRN	674	03/19/01 03/31/23	83.3750 8.250) 	\$1,000 DM1,000	2003	5½ 5¾		99.55	Reoffered at 97%. Noncallable. Feest 74%. (SBC Wasturg.) Noncallable. Fees 0.50%. (Margan Stanley Intl.)
<u>v</u> 135	Boo Com Ext.	74	04/01/01 02/02/04 09/01/02	92.6250 7.830	DEL Sharman	DM1,000	2008		101,255		
0 142 0 150	Ecuador FRN Poland FRN	314	02/28/1 <i>5</i> 10/27/24	64.0366 5.080 97.8164 6.840	European Investment Bank	DM1,500	2003	41/2	1001/6	99.25	
<u>0</u> 158		617 ₁₆	09/09/07	81.9302 8.850 75.2791 8.880	Export-Import Bank of	DM900	2003	4%	101.444	99.90	
0 · 162	Bulgaria FRN BodWuert L Fin Credit Local	6	07 <i> </i> 28/24 12/19/02 02/18/04		Japan	DATES	0010		00.00	- NO 67	
0 167	Cregern FRN Credit Local	214	01/06/04 1 07/16/01 1	101.3718 2.710 102.0000 6.370	· ····	DM750	2018	51/2 51/4	99.09	99.97 99.80	Nancalable, Fees 0.40%. (Dresdner Kleinwart Berson.) Reoffered at 99.71. Nancallable, Fees 24%. (Deutsche Morgan Grenfell.)
172	Fuji Fin FRN Ambrovenet Fm	6.663 (01/02/08	94.6125 2.9000 99.2600 6.7100	World Bank	DM500	2003		101.112		
177	Brazil Bco Brasil FRN Venezuela FRN	6.646	10/14/99	88.5758 5.0800 63.5713 7.9500 89.0000 7.5800	Deutsche Ausgleichsbank	2300	2008	- 61/2	99.701		Nancallable, Fees 0.325%. (HSBC Markets.)
179	Panama FRN	4 (07/17/16	80.5000 4.9700 92.1250 7.2600	European investment Bank	£500	2008	64	99.04	_	Noncollable. Issue may be redenominated in euros offer EMU. Fees 0.325%. (Barciays Capital Group.)
185 187	Ecuador par Mexico par A	3½ (72/28/25 12/31/19	55.1250 6.3500 84.5000 7.4000	General Electric Cobilar	£150	2000	7	100.92		Recifiered at 99.92. Noncollable. Fees 1 W/K. (Barclays Capital Group.)
195	USA Mexico LB Schlesw	9% (05/15/16 1 01/15/07 1 02/20/98	16.2070 6.2400 105.3872 9.3700 98.7689 10.8200	Nadhamba - Water Court	. £200	2023	67h	100,485		Reoffered at 98.61. Nancoliable. Fees 21/9%. (Barckrys Capital Group.)
0 197 200	Brazil FRN Medco	674 (7,174 (14/15/12 19/15/16 1	72.7113 9.280(15.3750 9.860(Prudential Corp.	£300	2023	6 %	99.499		Noncollable. Fees 0.625%. (SBC Warburg.)
203	Poland 4 Sweden	6/s (10/27/14 01/02/08 1	01.9439 6.0100	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	£50	2000	674	700.99		Negocitable. Fungable with autstanding issue, raising total amount to £200 million. Fees 1 Wile. (HSBC Markets.)
209	Brazii L FRN Russia Argentina	914 1)4/15/06 1/27/01 0/09/06 1	94.0287 9.8400 07.0000 10.2800	Sappi	£730	1999	zero	91.744		Noncallable private placement, Fees 0.10%, Denominations £10,000, (ABN—AMRO House
7 219 221	Sordegna FRN (Korea Dev Bk	6.096 1 6½ 1	12/31/02 1 11/15/02	00.0000 6.0900 82.5000 7.8800	World Bank	£150	2000	67/8	101,009	100.10	Govett.) NoncoRoble, Fees 11/9% (ABN—AMRO House Govett.)
225	Argenting FRN :	5.927 (14/20/00 1 14/01/07 1 12/28/19	04.6883 5.6600	Baden-Wuerttemberg L-	FF3,000	2010	57/8	99-533	_	Noncollable, Fees 0.35%, (Calsse des Depois et Consignations.)
228 241	Venezuela par B Argentina FRN	674 (5.898 1	13/31/20 2/28/99	86.5000 7.8000 24.7250 23.8500	Bremer Landesbank Capital	FF1,500	2006	51/4	99.923	100.40	Nancostable, Fees 0.30%, (Banque Nationale de Paris.)
242 244	Perv Brazil L	4% 0	13/07/17 14/15/09	63.5953 6.2900 73.1667 6.1500	TEF. I	FF2,000	2009	536	101,122	99.71	Reoffered at 99.467. NagazaBable, Fees 2%. (Banque Paribas.)
2,417	CADES	Zeiu (7/10/98	96.6495 6.9900	Westdeutsche Landesbank	FF2.000	2008		100.932		Repflered at 99.28. Noncollable. Fees 2%. Denominations 100,000 francs. (Credit Agricole
					Deutsche Finance	ITL1.05 T	2038	zero	8.45	8.70	Indiasuez.) Collable at 14.78 in 2008. Fungible with outstanding lesse, raising total face amount to 2 trains
Jusiness	News				Eurofima						line. Fees 0.25%. Denominations 100 mision line. (Deutsche Morgan Grenfeil.)
	Americas					ITL200,000	2011	1192	100.955	_	Interest will be 111/7% in first year, 7% in years two and three, thereafter 15% less twice the 12- month Libor. Reoffered at 99.60. Noncollable, Fees 1.355%. (Banco Nazionale del Lovero.)
it-	Dallas: Fros	t & S	ullivan	sponsors	European Bank for Reconstruction and	ITL2 T	2048	zero	6.133	_	Yield 5.74%. Reoffered at 5.966. Callable at 32.38 in 2028. Fees 0.334%. (Morgan Stanley Infl.)
and a	ence, Jan. 1				Development European Investment Bank	ITL750,000	2018	51/2	100.085	99.03	Reoffered of 98.485. Noncollable. Fees 2%. ((M) Bank.)
r In- sl.	Hotel. Detroit: The	Detr	oit Auto	Dealers	World Bank	ITL700.000		101/2	<u> </u>		Interest will be 104% in first year, 7% in year two and these thereafter 15%
	Association : ternational A	uto S	Show. J	e 1998 in- an. 10 -	SNS Bank	DF500 .	2008	51/2	100.845		month Libor. Noncollable. Fees 1.085%. (Banca Commerciale Halland.) Reaffered at 99.27. Noncollable. Fees 2%. (TNG Barings.)
	Jan. 19. Cob	ю Се	nter.		Bayerische Landesbank	C\$200	2003	514	100.925	99.40	Reaffered of 99.30. Noncollable, Fees 176%, (TD Securities.)
tral	Ottawa: Car				Toyota Finance Australia	Aus\$250	2003		100,435	98.55	Noncallable, Fees 2%. (Hambres Bank.)
m-	November be and Novemb	uildin er m	g perm otor ve	it figures hicle sales	Commerzbank	NZ\$100	2000		100,685	99.56	Reoffered at 99.56. Noncolloble. Fungible with outstanding issue, raising total amount to NZ\$200 million. Fees 116%. (TD Securities.)
In- strial	figures.				Eşkom	SAR2,000	2018	zero	6.85	6.60	Yield 13.67%. Reaffered at 6.65. Mancallable, Proceeds 133 million rand. Fees 0.325%. (J.P. Margan Securities.)
_					World Bonk	SAR1,000			100.90	99.85	Reoffered at par. Nancollable. Fees 1%. (TD Securities.)
ibers.					World Bank	SAR2,000	2028	zero	3.28	3.05	Yield 11.69%. Noncetiable. Proceeds 65 million rand. Fungible with autstanding issue, raising total amount to 5 billion rand. Fees 0.25%. (Hambras Bank.)
ig-	Atlanta: The	Fed	eral Re	serve Bank	BGB Finance	Y20,500	2001	4	100.00	_	Semiannoally. Redeemable in dollars at maturity. Noncollable private placement, Fees 14%. (Dates Europe.)
n	of Atlanta rel	uring	in the	ny maex Southeast-	Equity-Linked		-				formats Calaber)
	em United S Washington			artment re-	IBM Credit	S125	2003	2	100,00		Exchangeable at 9,482.72, a 29% premium, for the cash value of the Dow Jones Industrial Average, Fees 244%, (SBC Warburg.)
	leased Dece	mber	consu	mer price	National Grid	£400	2000	A).	100 00		
	index.				munanut Offu	270V	2008	414	100,00	_	Semioravolly. Noncollable. Convertible. Fees not disclosed. Terms to be set Feb. 9. [HSBC Investment Booking.)

The Week Ahead: World Economic Calendar, Jan: 12-16 A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloombero Business News.

Asia-Pacific

same day.

Monday

Tuesday

Jan. 13

Wednesday

Thursday

Friday

Jan. 16

Expected Tokyo: Prime Minister Tony Blair of Britain remains in Japan until Jan. He is to meet with Prime Minister Ryutaro Hashimoto on Monday, and the two men will participate in the 7th EU-Japan summit the

Melbourne: Australia and New

Zealand Banking Group Ltd. releas-

es job vacancies index for Decem-

Tokyo: The Bank of Japan releases

Seoul: Survey teams from Standard

vestors Service Inc. visit South Ko-

well as figures on Japan's domestic

and overseas securities invest-

Bangkok: Bank of Thailand an-

nounces the country's official for-

& Poor's Corp. and Moody's In-

rea to re-investigate the nation's

figures on Japan's wholesale price

index for December.

credit standing.

Basel, Switzerland: Yasuo Matsushita, governor of the Bank of Japan, visits Switzerland to attend a monthly meeting of the Bank for International Settlements in Basel.

Budapest: The Hungarian Central

Statistical Office releases Decem-

ures for trade with the European

Union and November Non-EU

ber consumer price index.

Madrid: The National Statistics Institute releases November industrial Rome: October retail sales numbers. Rome: Istat releases October fig-

Tokyo: Economic Planning Agency releases monthly economic report. Tokyo: The Ministry of Finance re-Bonn: Chancellor Helmut Kohl leases figures on Japan current-açspeaks on "Europe's Opportunities count balance for November, as

Washington: Commerce Department reports December retail sales.

in the Age of Globalization." Union Szelen, 8 P.M. Rome: Istat releases November producer prices numbers.

Helsinki: Finland Statistics releases

December consumer-price index:

November industrial output figures.

Madrid: The government releases

Rome: November industrial produc-

December inflation figures.

tion numbers.

Washington: Commerce Department reports November business in-

ventories. Labor Department reports

initial weekly state unemployment

compensation insurance claims.

Jan. 15 Sydney: Australia government releases labor force figures for De-

finance figures for November.

ments for November.

Singapore: The Institute of South-Copenhagen: Danmarks Statistik releases October current-account east Asian Studies holds a forum at and trade balance. the Shangri-La Hotel to discuss the Paris: Government releases third political, economic, and business outlooks for the Asian region. quarter 1997 gross domestic prod-Sydney: Australia releases housing

Caracas: Venezuela's Industry and Trade Ministry releases December foreign investment figures. Washington: Federal Reserve reports industrial production for De-

Last Week's Markets

Stock Indexes 4995.10 15.258.74 -1.73 5.137.00 5.193.50 4 274 OA 4.71 S. 77 8,894,64 10,680,57 - 16,72

+ 1.39

Euromarts

Weekly Sales 59879 4.8579 4.8575 5.251 5.56 278.70 288.00 -3.23

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Loss of Confidence in Asian Economies to Keep Dollar Aloft

By Carl Gewirtz International Herald Tribune

PARIS - Widespread market rumors of impending coordinated intervention in Asian financial markets tamed the dollar's rally last week, but analysts expect the dollar to come roaring back as it becomes clear that intervention is unlikely soon.

"The massive capital flight out of Southeast Asia is an internal problem," said John Lipsky at Chase Manhattan Bank, "a loss of confidence in domestic

policies" that intervention can't restore. "And even if you think intervention might be appropriate to try to break the self-perpetuating nature of the crisis, of

flight, which fuels further devaluation, it's simply not sensible until the yeadollar rate has been stabilized," said Jim O'Neill at Goldman Sachs in London.

As Richard Koo at Nomura Research Institute in Tokyo observed, "half of the crisis in the Asian countries is due to the yen's weakness against the dollar."

For all the experts, getting things right in Tokyo — which means reviving domestic demand and spurring stronger economic growth — is critical to the process of stabilizing conditions in Southeast Asia. And all agree, Japanese policy still lacks the conviction needed to make intervention to bolster the yen a credible exercise.

Mr. Koo, an outspoken critic of Japcurrency weakness worsening the capital anese government foot-dragging in

rackling domestic problems, is upbeat about the prospect of policy initiatives to get the economy moving and the yen

Citing the government's plan to provide 30 trillion yen (\$226.4 billion) to repair the nation's financial system and about 3 trillion yen in tax cuts to increase consumer spending, Mr. Koo said that 'the policy debate is moving forward."

But not fast enough. Dispute over how the 30 trillion yen will be used is delaying the implementation of the measure and the 3 trillion yen one-year tax cut is still woefully inadequate, he says, warning that conditions in Japan are likely to get worse before the government accepts the need for blanket dispersal of capital to financial insti-

nutions and more substantial and longerlasting tax cuts.

It's a grim view of the immediate outlook, but Mr. Koo believes that the necessary changes will occur within the next few months and well before the elections for the upper house of the Diet in July. And when they come, the yen will rally significantly, he predicts.

Gerard Lyons at DKB International in London concurs with the overall picture. But in putting numbers on his forecast, Mr. Lyons sees the dollar, which ended last week at 132.15 yen, first rising to 140 yen before it begins to fall back.

To critics who say Japan cannot afford a strong yen yet, Mr. Koo observes that Japanese industry is competitive at the current rate and that the nation's

But State Secretary Murdiono told

Members of Congress have "very

real reservations" about sending money

to help Southeast Asia recover from its

economic slump, the chairman of the

Senate Banking Committee, Alfonse D'Amato of New York, said Sunday,

It is crucial for the United States to

make sure the nations of Southeast Asia

forms, he said during an interview on

"It is the part as it relates to bailing out undisciplined private-sector corpo-

rations with taxpayers' money that

raises concern, not only with myself, but

with a number of my colleagues, who

want us to hold hearings to look into

Mr. D'Amato, a Republican,

are committed to "a discipline" of re-

Bloomberg News reported.

Antara that all the projects would "def-

initely be developed eventually.'

■ D'Amato Urges 'Discipline'

"real" trade surplus — adjusting for the 63 percent decline in the yen's value since early 1995 —"is already beyond the levels set in 1992-93" that caused so much trade friction with the United

The other wild card in this scenario is the Clinton administration's commitment to a strong dollar, a tool to dampen exports and overall growth so as to deter the Federal Reserve from raising interest rates and damaging the mood on Wall Street. But with the U.S. trade deficit expected to explode this year and growth forecast to slow, the commitment to a strong dollar may only last until that strength begins to hurts the United States, said Mark Cliffe at HSBC Markets in London.

Credit Suisse to Buy

SHORT COVER

Asian BZW Units LONDON (Bloomberg) — Credit Suisse First Boston will announce Monday that it has bought parts of Barclays PLC's Asian investment-banking business, BZW Asia Ltd., a spokeswoman

for Credit Suisse said. "I can confirm we will make an announcement Monday," said Bonnie Wu, spokeswoman for the bank in Hong Kong. She declined to give any details or

the purchase. After the sale, Barclays will be left with a trimmed-down investment-banking business, comprising mainly foreign-exchange and fixed-income units under the name Barclays Capital

ASIA: IMF Aide Upbeat on Jakarta Talks

Continued from Page 1

Sir Leon Brittan, made it clear that the European Union wanted Jakarta take

"very prompt" reform action.

He also pointedly refused to join criticism of the IMF, which has been accused by some Asian and Western economists of aggravating Asia's woes by forcing Indonesia, South Korea and Thailand into recession.

"I am not going to recommend changes to the IMF," Sir Leon said on Reuters Financial Television. "But I am certainly going to recommend to the countries concerned that very prompt action and very firm action be take of a structural kind, which in many cases may go beyond the particular recommendations of the IMF."

President Bill Clinton intervened in the Indonesian crisis Friday, telling Mr. Suharto in a telephone call that Jakarta should comply with IMF reforms fol-lowing signs that Jakarta was reneging on some of them.

Mr. Clinton announced at the same time that he would send Mr. Summers, with State Department and National Security Council officials, to Asia for con-

Mr. Fischer, the IMF official, said the IMF's talks with the Indonesian govemment would continue at least until Thursday. The fund's managing director, Michel Camdessus, who is to hold talks in South Korea on Monday, is expected to join the negotiations in Jakarta on Wednesday.

Analysts said that the next few days will be the crucial for Indonesia's financial market as the government seeks to overcome a crisis of confidence in the leadership of Mr. Suharto.

Indonesia's best-known opposition leader, Megawati Sukamoputri, announced Saturday that she would make a bid for the presidency and that Mr. Suharto, who is 76 and has been in poor health recently, should retire at the end

of his term in March.

. In an unusually outspoken attack in a country where defaming the president is a criminal offense, she blamed the Suharto government for the financial

"The tragic and incomprehensible plunge in the rupiah's value to the present unbearably dangerous level clearly," Mrs. Megawati said, "demonstrates the people's loss of confidence in the present leadership and government administration."

She added, "If the nation ends up baving to bear this burden, then striped prison uniforms should be sewn for the economic criminals who have destroyed our nation and our economic future.

But even though Mrs. Megawati's attack followed other recent calls by critics for Mr. Suharto to step aside, analysts said that he was unlikely to do

In a sign that the worst of crisis may have passed, there was no immediate rush to buy food and essentials Sunday in Jakarta as there had been the previous three days. •

Fearing hyperinflation after the rupiah's fall, panicky shoppers last week rushed supermarkets and shops to stock up on rice, milk, cooking oil and other

Antara reported Sunday that the government had increased short-term rice imports to 2 million tons from 1.5 million, and that controlled prices of rice and flour would not be raised.

· In October, Indonesia was given a \$43 billion international loan package arranged by the IMF in exchange for agreement to apply painful reforms and austerity measures, including cuts in government spending, credit curbs, trade liberalization and improvements in financial regulation.

But an expansionary budget for 1998-99 presented by Mr. Suharto last week fueled investors' fears that Jakarta was



Stanley Fischer, left, first deputy managing director of the International Monetary Fund, after an initial round of talks Sunday in Jakarta.

Stocks plunged more than 16 percent while the Indonesian rupiah plummeted to a record low of 11,000 to the dollar.

While it recovered in weekend trading to around 9,600, it was still worth about 65 percent less against the dollar than in July — prompting fears in the market of a default on Indonesia's foreign debts, which total more than \$130 hillion.

Most of the debt is held by the private sector, and much of it is due to be repaid this year.

Mr. Suharto moved to counter international criticism of wasteful expenditure by announcing on Saturday the delay or review of 15 large infrastructure projects, including power plants, toll roads and an airport.

Relatives and other close associates of Mr. Suharto - who have been accused of trading on their political connections to amass fortunes during his years in power — are involved in most of the projects.

Tobacco Firms Agree to Settle **Texas Lawsuit**

Bloomberg News

TEXARKANA, Texas - U.S. cigarette makers agreed to pay Texas and its attorneys an undisclosed amount to settle an \$8.6 billion lawsuit over sick smokers slated to begin this week, an official with the state attorney general's office said.

A settlement — which is expected to range from \$12 billion to \$15 billion, or at least 50 percent more than Texas is seeking to recoup for treating smokers is expected to be announced this week, according to attorneys on both sides of the negotiations.

A federal judge in Texarkana, where jury selection was scheduled to begin Monday, has postponed the first phase of the trial until Wednesday to let both sides wrap up negotiations.

There has never been any doubt in the industry's mind that it could settle Texas on the same terms that it settled Florida and Mississippi," said David Adelman, an analyst at Morgan Stanley, Dean Witter, Discover & Co.

Philip Morris Cos., RJR Nabisco Holdings Corp. and other tobacco companies have sought to settle suits in Texas and Minnesota this month to avoid hindering the \$368.5 billion national accord struck in June after months of talks between tobacco companies and states that had filed lawsuits.

The national agreement — which still needs congressional and White House approval — would end the state cases and class-action suits, limit the industry's exposure to damages awards and impose marketing and regulatory restrictions.

Tobacco companies have been racing to settle the state lawsuits before they go to trial to avert publicized attacks on the industry that might influence members of Congress to balk at backing an accord.

Hashimoto to Unveil Finance-Sector Plan

TOKYO (Bloomberg) - Prime Minister Rymaro Hashimoto is expected to propose to Parliament on Monday a 30 trillion yen (\$226.4 billion) transfusion for Japan's banks and depositors.

The bailout is intended to revive a financial industry beset with bad loans. tumbling stock prices and sagging profits, and could affect other Asian

Japan's neighbors are counting on help from Japan to help save them from a financial meltdown.

The parliamentary session that begins Monday 'will present Hashimoto his greatest challenge as prime minister. said John Neuffer, research fellow at Mitsui Marine Research, "The economy is a mess, markets around the region are collapsing, the yen is at its lowest in six years and his polls are

Iran Lowers Forecast For Revenue From Oil

TEHRAN (AP) - Iran has lowered oil revenue projections for its next fisca! year, the official Islamic Republic News Agency reported Sunday, reflecting worries that international prices could continue their downward slide.

The agency quoted Mohammad Baqer Noubakht, head of Parliament's budget commission, as saying oil revenue projections had been adjusted to 28,509 billion rials (\$9.5 billion) in the budget bill for the fiscal year beginning March 21. He said the figure was 7.5 percent lower than an earlier estimate.

Oil prices in the budget bill were envisaged at \$17.50 a barrel. On Friday. February crude oil futures on the New York Mercantile Exchange hit a 29month low of \$16:60 a barrel.

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Queensland Total

Los Angeles Times

year lows this past week - while stocks are struggling — bonds have become the asset of the moment on Wall Street. By raising the specter of deflation in a speech on Jan. 3, Alan Greenspan,

light that has been shining on the bond market for the last three months. It would be great if the best financial advice today could simply be: sell stocks, buy bonds. Unfortunately, for

• First question: Why do you think

INVESTING

interest rates could drop a lot more in coming years? Or are you just eager to have a "buffer" against a potentially

answer the "why" question.

Investors Take a Fresh Look at Bonds

By Tom Petruno

A lot of people who never thought they would look at a bond, much less buy one, suddenly have had a change of heart. With long-term bond yields at 20-

chairman of the Federal Reserve Board, just cranked up the wattage on the spot-

many investors the issue is far more complicated.

Should you buy bonds? Here's a basic primer on how to decide:

you need bonds? Are you anxious to lock in current yields because you need income to live off of, and fear that

continue to rally may want to buy long-

maturity and thus are the most aggressive way to bet on interest rate trends. • Second question: What are your investment return expectations? Stocks

can lose 50 percent or more of their value in bad times, are inherently riskier than bonds, which tend to be far more stable

Over the last five years, however, stocks' performance has been far above the historical norm: The average stock mutual fund has returned three times as much as the average bond fund (121

Investors might infer from that huge gap that bonds have some catching up to do - which could happen if stocks' returns fall while bonds' returns simply match their historical norm.

want to be out of the stock market.

If what you want is a temporary bedge against falling stock prices, consider money-market accounts rather than bonds. The average money-market mumal fund now yields about 5.3 percent. The yield on a five-year Treasury note is 5.41 percent. So you are not being paid much more today to assume the risk of locking up your money for five years, versus keeping it in a safe

If you shift money to bonds or bond mutual funds to hedge against stocks, you may have transaction costs to get in, and then to get out. Plus, if interest rates surprise everybody and rise instead of falling in the months ahead, your bond

for cash until stock prices get cheaper, or other investment opportunities arise, money-market funds or other short-term accounts may be your best option.

ment accounts.

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Continued from Page 1 Today's one-way channels will be . Or the second

complemented by the equivalent of personal computer programs that have been converted for the television screen, programs such as bill-paying applications, e-mail or computer games. Mr. Malone sees this as nirvana for the cable-TV industry, which has con-

sistently promised new services, such as

home banking, that it has proved unable

to deliver. He wants his company to reap

a portion of each transaction that would be made by the new set-top boxes, which TCI plans to introduce in 1999. In his vision of the future, each of these new interactive channels will be written in computer programming languages that will be linked either to Microsofi's Windows CE operating system or in

Sun's Java programming language. TCI is the second-largest U.S. cable operator, with its boxes in 12 million of the 65 million cable-equipped homes. The biggest, Time-Warner Inc., is still in negotiations with a variety of potential suppliers of software and hardware. Microsoft last year invested \$1 bil-

lion in another cable company, Comcast

Corp. Brian Roberts, the president of

Comcast, said, "The industry has been

searching for a new revenue stream for a number of years, and the prospect of this convergence is very promising.

Mr. Malone is using Sun's Java as an additional layer of software to offer more choices to software developers

and an alternative to Microsoft. The advantage of Java is that it potentially permits software developers to write one program that will run on many different types of hardware. That could be important if there are many different types of competing hardware in the

boxes distributed by cable companies.
But on Saturday, Mr. Malone acknowledge Saturday knowledged that to run the Java alternative, it would be necessary to add additional memory chips to the set-top box. That, said industry executives,

sharp drop in the stock market? Or is your interest more speculative: Are you looking to make a short-term killing, should bond yields continue to decline, thus boosting bonds' principal value? The type of bond investment you buy may vary greatly depending on how you

An investor who needs income, for MICROSOFT: Set-Top Windows or Java?

> could end up consigning Sun to the same role as the losing operating systems of the early days of the PC era. People familiar with the cable agreement signed by Sun and TCI on Friday said that to avoid this, Sun's chairman, Scott McNealy, had agreed to pay TCI the additional costs to insure that there

was room for the Java standards. Several people familiar with the deal said it could amount to as much as \$10 to \$12 a machine. Executives at Sun declined to comment.

At the same time, Mr. Malone also

said Saturday that TCI was continuing

discussions with Microsoft on a possible \$1 billion investment to help build an interactive TV network more quickly. One cable industry chief executive, who asked not to be named, said that the industry was badly in need of new sources of revenue and, at a practical level, it might be worth it to let Microsoft dominate if it can help add new revenue sources. "Cable has not had a big new product in years," he said.

We need the catalyst of Silicon Valley to move ahead." Although the battle has now been oined, it is clearly not over. In addition to Microsoft and Sun, Oracle Corp., Intel Corp., IBM and AT&T Corp. are all still jostling for a place at the table — or inside the new digital set-top box.

Moreover, while Mr. Gates proposed a new computer-oriented digital television standard called HDO in his Consumer Electronics Show speech Saturday, the nation's television broadcasters have still not picked a standard. Then there is the largest unanswered

question: Do television viewers care about any of this? The computer industry is placing a heavy bet that the nation's couch potatoes will be willing to open their wallets for these new services. But with many U.S. homes already paying \$25 or more a month for cable, there is still little proof that they will be willing to foot the bill for the much-hyped interactive television of the future.

example, may want to invest in a "laddered" bond portfolio. That involves buying individual bonds (such as U.S. Treasury issues) maturing in stepped fashion - say, in two years, in five years and in seven years. The idea: You lock in yields, but ensure that some of your money is coming back to you in the not-too-distant future. By contrast, an investor who is merely looking to make a fast buck if bonds

term, zero-coupon Treasury bonds which effectively pay all of your return at

generate a higher rate of return over the long run than bonds.
Why is that so? Because stocks, which

thanks to their interest component. Thus, you should be rewarded for taking the extra risk in stocks over time. Since 1925, U.S. stocks' average annual total return (price gains plus dividends) has been about 11 percent. In that same period the average annual total return from long-term Treasury

bonds has been about 5.3 percent, or roughly half-of stocks' returns. percent versus 40 percent).

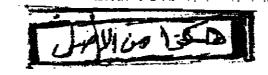
But in the long run, if you are still interested more in capital appreciation than capital preservation, you do not

short-term account.

bet may lose you money. If all you really want is a parking place

If you are making a portfolio shift to bonds for the long-term, try to do it in a tax-sheltered account. If possible, make that shift in your tax-sheltered retire-

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INTERNATIONAL HERALD TRIBUNE, MONDAY, JANUARY 12, 1998

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PEANUTS THIS IS A HARD TEST.

GARFIELD











WOW! THAT WAS SOME CHEWING OUT, BEETLE!

THIS ISN'T A TEST, SIR.,

THEY JUST WANT TO KNOW

WHEN YOU WERE BORN ..







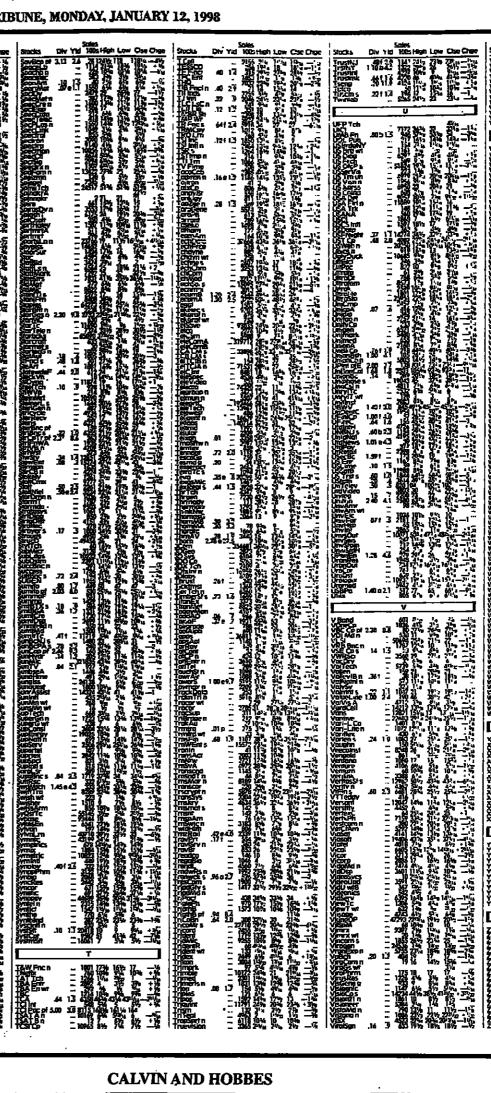
TOO LATE .. I ALREADY

PUT DOWN 1492!

THAT'S ENOUGH EXPLORING FOR ONE DAY



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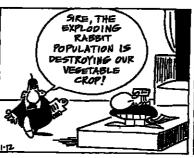




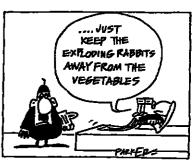


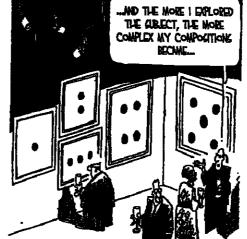




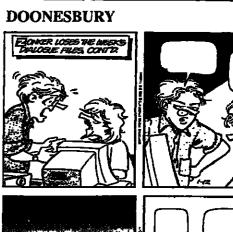














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Debate Over Nitrogen-Rich Training Rooms

By Matthew E. Mantell New York Times Service

YVASKYLA, Finland -- Tourists can't book Rooms 156 through 160 at the Hotel Rantasipi Laajavuori. Few would, even if they could.

Why would anyone want to stay in an airtight room suffused with enough nitrogen to duplicate the rarefied air of a mountaintop? The answer involves -some of the world's top endurance athletes, whose use of "altitude housing" is the latest technological move in a catand-mouse game of sports science, biological manipulation and regulation of techniques that enhance athletic performance.

When Samppa Lajunen, the 1997 aordic combined World Cup champion, checks into an altitude room, his behavior is quite ordinary: dining in the hotel's restaurant, surfing the television and getting lots of rest.

But the 19-year-old Finn is up to something special. Along with other elite lodgers, including biathletes, cross-country skiers, rowers and long-distance runners, he is gaining the same aerobic advantage he would from a visit to the Alps, raising his red-blood-cell count and increasing his blood's capacity for carrying oxygen to his

When these athletes follow a stay in an altitude room with a training session near sea level, they are using a controversial conditioning program called hiving high and training low. The tech-· nique has raised questions of health and fairness for competitors and for administrators charged with ensuring a level playing field.

For one thing, altitude housing is available in only a few northern European countries. More significant, a three-week stay in altitude housing provides the same boost to red-bloodcell counts as two banned performanceenhancing practices: blood doping and injecting crythropoietin, or EPO, a genetically engineered copy of a hormone produced in the kidney that regulates the production of red blood cells.

EPO was created to stimulate the production of red blood cells in people with kidney failure, but it can also be used to increase the oxygen capacity of endurance athletes

So can blood doping, which involves the removal of blood that is then restored to the body just before competition to enhance the circulation of oxygen to the muscles.

"In 1989," recalled Heikki Rusko, a developer of altitude housing, "a Finnish ski coach for the Italian national team and the Norwegian rowing coach told me that they felt the athletes who were doing the best most likely had gotten blood transfusions."

Blood doping was made illegal after word leaked out that seven U.S. cyclists had engaged in the practice at the 1984 Los Angeles Olympics. That did not stop it, but athletes looking for an edge began turning to EPO, for which there are no approved tests.

There is also no lack of risk. Improper use of EPO can lead to excessive thickening of the blood and can produce clots, strokes or heart failure, especially in hot weather. There have been suspicions that EPO was a factor in the deaths of some 20 bicycle racers, all under 35, since the late

The Finns, concerned about doping. . first conducted tests to measure the redblood-cell and hemoglobin values of competitors at their nordic national championships in 1988. Rusko pressured his country's ski federation to insist that the sport's world governing body introduce the examinations too. That happened for the first time at the world championships held in Lahti, Finland, in 1989.

The tests were given at the 1994 Winter Olympics in Lillehammer, Norway, and will be given again at the 1998 Games in Nagano, Japan, where biath-letes and cross-country skiers will undergo pre-race blood tests. Athletes with abnormally high values will not be allowed to compete.

The altitude house was developed in 1993 by Rusko, director of Jyvaskyla's KIHU Research Institute for Olympic Sports, as a safe means of improving red-blood-cell levels, allowing athletes to compete on level turf with opponents

"I wanted Finland's endurance athletes to have an acceptable way to increase their volume of red blood cells." Rusko said. "This way they would not need to use EPO to be competitive."

By Alan Truscott

F an opponent shows a six-

Lard suit, one never wishes

to play in game in that suit.

The first exception to that rule

ever seen in this column, and

perhaps anywhere, occurred

on the diagramed deal. Not

only did South play in four

hearts after East had made a

weak jump overcall in that

suit, but he emerged with an

overtrick and prevented East

from making a heart trick. South was Mel Colchamiro

who this year retained his title

as Long Island Player of the

Year, based on tournament

performance. North was his

wife, Janet, who was the run-

ner-up. She opened one dia-

mond and doubled for take-

out when the two-heart over-

The idea for the altitude house had its roots in a sports-medicine conference Rusko attended in 1991, where he heard Tim Stray-Gundersen and Ben Levine. American researchers, discuss the value of living high and training low.

At the time, conventional wisdom called for training at elevation to increase red-cell count. While that approach led to fitness, Rusko said, he felt it was not the answer for most athletes. An exception, he said, would be someone born at altitude, such as Kenyan distance runners, who are acclimated to training at elevation and

thrive under those conditions.
"The problem with training high," he said, "is that your training speeds are lower than at sea level. Next, your heart rate and blood-lactate concentration, at the same velocity, is higher. The stroke volume of your heart and cardiac output is smaller. Your muscle power decreases.
All these factors combined mean that you have to train at lower velocity."

Convinced of the value of living high and training low, Rusko had to overcome a towering hurdle: Finland's flat topography. Drawing on the knowledge of a local gas-company engineer, he came up with his plan for an altitude room.

The components include a nitrogen generator, an air compressor, a mixing system and two independent control mechanisms. Nitrogen is combined with ambient air, and the compound is conducted to the virtually impermeable altitude room. For safety's sake, the controls are programmed to stifle the nitrogen should the oxygen concentration drop too far.

"Under normal conditions, we have 21 percent oxygen and 79 percent nitrogen," Rusko said. "In the altitude house, nitrogen is mixed into the air to reduce the oxygen to 15 percent. And that corresponds to the partial pressure of oxygen at 2,500 meters," or about

The elevation that would produce optimum conditioning remains unknown, Rusko said.

Still, his research proves that living at 500 meters does augment red-bloodcell levels. It avoids one danger of actually living at altitude: acute mountain sickness, and its headaches, parched throat, nausea and dizziness.

In 1993, the first altitude house, costing \$100,000, was erected at the sports institute in Vuokatti, Finland. By 1995, altitude bouses had sprung up in both Norway and Sweden. (Germany has one, too). A year later, the Hotel Rantasipi Laajavuori sported its five alpine. quarters and, in 1997, the Rovaniemi Sports Institute housed the Finns' third

MONG the athletes using alti-tude houses is Bjorn Dahlie of Norway, the defending World Cup champion in nordic skiing, who holds a commanding lead in this year's World Cup standing.

While most nordic athletes have greeted these developments with enthusiasm, a few, citing moral and health considerations, have not.

One prominent Finn who refused to use alutude housing is 28-year-old Valentin Kononen, the 1995 50-kilometer race-walk world champion.

"My doctors told me there are viruses and bacteria in the alp house," he said, "because it's like living in a plastic bag. The Alp house is not natural. It's a synthetic way to create more EPO in the body. If you say yes to the Alp house, you are saying yes to doping.

Echoing these sentiments is Dr. Timo Seppala, chairman of Finland's Anti-Doping Committee. "It's unethical for a coach to tell an athlete, 'Go live in an altitude house,' when there aren't many studies about the physical risks in-volved," he said. "Theoretically, it's possible to get thrombosis and pulmonary disease. Even die."

Dr. Seppala acknowledged, however, that anybody who climbs a mountain of 2,500 meters faces the same perils as athletes bunking in altitude dwellings.

Mika Myllyla, the 1997 50-kilometer cross-country skiing world champion, has used the altitude house. So have two of his teammates: Jari Isometsa, last year's world championships bronze medalist at 15 kilometers, and Harri Kirvesniemi, that event's winner at the 1989 worlds.

'Practically everyone in Finland's athletic community accepts the altitude house," Dr. Seppala said with a shrug.
"But, of course, I will always talk about the ethical and health issues surrounding the apparatus. Then it's up to the athlete to make a decision.

BRIDGE

South passed for penalties but

NORTH

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SOUTH

VAKQ1086

North and South were vulnerable.

2 ♥ Pass 2 ♠ Pass

EAST

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♣ A 5 4

call was passed around to her. East retreated to two spades. South overruffed. He exited

had to think again when West been doubled, but East would claimed the last four tricks for

made an S.O.S. redouble and probably have escaped with a an overtrick. And if East had

The diamond king was led,

and South won with dummy's

ace, a decision that would

have been wrong if East had

held more than one diamond.

He led the heart nine for a

marked finesse and shifted to

a low club. East put up the ace

and led a spade, won with

the spade ace and the club

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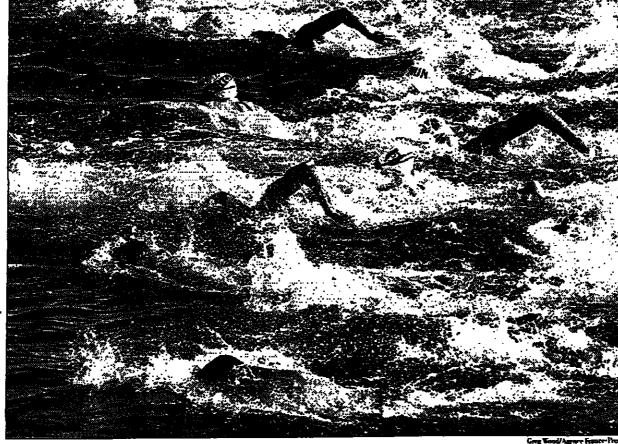
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Swimmers hitting the water at the start of the men's 25-kilometer open-water race at the world championships.

Swimming Awaits Doping Report

PERTH, Australia - The doping case against the Chinese swimmer Yuan Yuan and her coach; Zhou Zhewen, was put on hold Sunday as officials awaited documents detailing the amount of growth hormone seized from Yuan's travel bags Thursday.

Gunnar Werner, secretary of FINA, the governing body of world swimming. said that all evidence had been heard in the case against the pair and that he expected they would soon leave Perth.

Werner, who said earlier that he was upset at Australian Customs officials for telling the media about finding the drugs in Yuan's baggage, was at odds with the overnment department again Sunday. He told a press conference that slow bureaucracy was to blame for the lack of swifter action on the case.
He said that FINA had been forced to

draft an official letter to the customs department Sunday demanding the report, and that it had not been forthcoming because Australians do not work on weekends.

But an Australian Customs spokes-

man, Chris Schofield, said that a FINA official, calling on behalf of its director, Cornel Marculescu, had been told twice Saturday that the matter had been passed on to the Australian Sports Com-

Schofield said the laboratory that carried out the tests on the seized liquid had been authorized to send the report to the commission, which would deal directly with FINA. "The final report will take a few days because there is still some work

to be done," Schofield said.

A commission spokesman said the report would be passed on to FINA as soon as possible. Werner said it was legally important to establish the exact level of growth hormones seized. Zhon and Zhewen were summoned

home from the World Swimming Championships after 13 vials of a banned human growth hormone were found packed in a thermos seized from Yuan's baggage. Customs said that the substance "is, or contains, growth hor-

Chinese sports officials have said that Zhou and Yuan, who turned 22 on Sun-

FINA doping inquiry was complete and would be punished for their "mis-

Under FINA's rules, Yuan and Zhou face a mandatory four-year ban for "trafficking" a growth hormone, so-matropin, a sophisticated muscle-building drug that is impossible to detect by the conventional urine tests still used in swimming.

 Alexei Akatiev won his second open-water gold medal of the championships Sunday.

Akatiev, who won the men's fivekilometer race Wednesday, was first in the 25-kilometer swim. Tobie Smith of the United States won the women's 25kilometer race.

"It was a very hard race with very difficult waves," said Akatiev. "I'm very tired but very happy and thrilled to have two gold medals."

David Meca of Spain, fifth in the five-

kilometer race, was second in Sunday's event to claim the silver medal and Gabriel Chaillon of Argentina was (AP, Reuters)

2 Victories **Give Maier Prominence** In Super-G

SCHLADMING, Austria - Hermann Maier of Austria captured his second World Cup Super-Giant Slalom victory of the weekend on Sunday.

For the second day in a row, he won on the hard-packed Planai piste at Schladming. The slope was so tricky that a third of the first 21 skiers lost control and missed gates.

Not Maier, however. The 25-year old notched his sixth victory of the season with a time of 1 minute, 14, 84 seconds, beating his teammate Andreas Schifferer by 1,19 seconds. Stefan Eberharter, another Austrian, finished third with a time of 1:16.14.

Peter Runggaldier of Italy was the best non-Austrian, tying for fourth place with Rainer Salzgeber of Austria in 1:16.54.

Maier's finish gave the Austrians their 13th victory this season, by far the best of any nation.

Temperatures were just above freezing, and the hard snow and alternating sunshine and shade made the two-kimany. Maier seemed untroubled. "It's a victory," he said. "I was pretty well in control." lometer (1.2 mile) course a challenge for

In the super-G standings, Maier has 300 points, Eberharter has 220, and Schifferer — whose best discipline has traditionally been the downhill -- has

Maier has 1,019 combined World Cup points, with Eberharter in second place with 648. Schifferer has 566 points

On Saturday, Maier had won the Su-per-Giant Slalom by more than a second, finishing in 1 minute, 14.95 econds. Eberharter was second in 1:16.10.

In third place was Luca Cattaneo of Italy in 1:16.36, followed by Frederik. Nyberg of Sweden, who clocked in at 1:16.57. Another Swede, Patrik Jerbyn, finished fifth in 1:16,85.

 In Bormio, Italy, Hilde Gerg of Germany ended Ylva Nowen's run of four consecutive World Cup statom victories on Sunday. Gerg rallied in the second leg to claim her second victory of the season and the fourth of her The triumph capped a successful

weekend for Germany's women alpine skiers and meant that Gerg kept the pressure on her compatriot, Katja Seizinger, in the battle for the coveted overall title.

Nowen, a Swede, who had won the four previous slaloms, finished a distant ninth, 1.61 seconds behind the winner.

Gerg, whose only previous slalom success came in the little-raced parallel event in the American resort of Mammoth Mountain in November, was the second German winner in two days. Martina Ertl. wou the giant slalom on Saturday.

In second place after the first leg. Gerg attacked the icy piste in her second run. She clocked a total time of one minute, 35.01 seconds to swap places with the first-leg leader, Kristina Koznick of the United States. "I can't explain why I'm skiing so

well in the slalom," said Gerg, who had never finished higher than ninth in a slalom until this season. "I think part of the reason is that we've had a series of slaiom races and I've been able to focus' Koznick, who had been seeking her-

first World Cup triumph, finished in 1:35.28, giving her five top-four finishes in six races and bolstering American hopes of an alpine skiing medal at the Nagano Olympics.

"This is another important experience for me but my goal was to win today after finishing second in Lienz," said Koznick, who rooms with Julie Parisien, the last American to win a World Cup slalom, six years ago. Spela Pretnar of Slovenia, whose

only World Cup victory came in Bormio, continued to enjoy her stay at the Italian resort, picking up her second consecutive third place finish with a time of 1:35.52. The home favorite, Deborah Compagnoni of Italy, placed

Washington Post Service ist. Such credentials immediately raised PHILADELPHIA — The crowd was the question of a possible medal sweep

Kwan's Perfect Presentation Dazzles

By Amy Shipley

dropping hints, chanting "Six! Six!" but the judges didn't need any nudging. At the U.S. Figure Skating Championships, Michelle Kwan had just finished her long program, taking the ice thinking of clouds and angels. Somehow, her program seemed a combination of both, and perhaps a few other heavenly things.

As she clutched a pair of stuffed animals thrown onto the ice by fans and sat under the arm of her coach. Frank Carroll, her scores flashed across the scoreboard and the sellout crowd of 19.082 erupted again. Kwan received eight perfect 6.0s for presentation breaking the U.S. nationals record for women she set Thursday in the short program with seven perfect scores.

And with that, she regained the national title she had lost last year and sealed her place on the 1998 U.S. Olympic team.

The rest of Saturday night went almost as sweetly as Kwan's program. Tara Lipinski recovered from her fall in the short program, rebounding from fourth place into second overall. And Nicole Bobek, second after the short program, finished third overall, skating flawless — if safe — program that brought the crowd to its feet.

A fall by Tonia Kwiatkowski essentially pushed her out of Olympic-team contention, giving her a fourth-place overall finish.

Shortly after the performances, the U.S. Figure Skating Association's in-ternational committee made official what everyone suspected: Kwan, Li-pinski and Bobek will represent the United States in the Olympics next month in Nagano, Japan. These three women have won the last

four U.S. titles. Kwan and Lipinski have

to make the same overtrick.

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won the last two world championships: Bobek has been a world bronze medal-

"I think we can absolutely do one-two-three," Bobek, 20, said. "No problem. I think this is absolutely one of the strongest teams." To regain the national title, Lipinski,

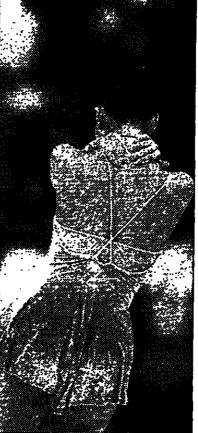
15. would have had to finish in first place, and Kwan would have had to drop to third or lower. But Lipinski didn't have such big goals. She said she was satisfied to have made amends for her fall the other night: "It felt great, especially after having

a so-so short program. To come back even stronger is very exciting." She said the fall was "a fluke, a silly mis-"I was disappointed, but coming in and skating this long program with the

pressure of making the Olympic team, that really gave me a lot of confidence," Lipinski said. Kwan, 17, known for her poise and grace, dazzled the crowd and the judges with seven triple jumps, including a

couple of triple toe loops. That was the jump she cut out of her short program because it bothered the still-healing stress fracture in her left toe. "I was just thinking 'Have fun,'" she said. "Every time I hear the music I

think of angels and clouds and the feeling of flying. Nothing can stop me. I took one thing at a time and by the end of the program I just thought: 'I'm free. I'm gone. Cloud Nine, here I come.'"



Michelle Kwan preparing to take a bow after completing her program.

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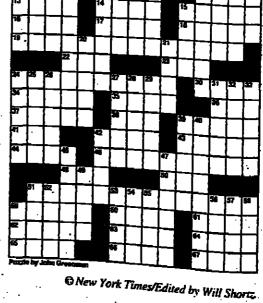
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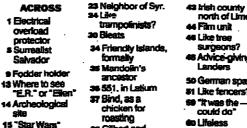
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SPORTS

Piqued as Ever, Pippen Returns

His Foot Healed, Bulls' No. 2 Star Lends a Hand in Warriors' Defeat

The Associated Press

CHICAGO - Two months ago, Scottie Pippen was so unhappy he pledged to never play again for the Chicago Bulls.

On Saturday night, his mind changed. His sore foot healed, Pippea rejoined the team he helped lead to five of the last seven NBA titles.

Pippen, who had missed the Bulls' first 35 games after preseason foot surgery, started the game against the Golden State Warriors, played 31 minutes, scored 14 points and had four rebounds and five assists.

"I can't penalize my teammates by staying away from the game, so I got to get back on court and do what I do best," Pippen said after the Bulls' 87-82

Pippen made public his grievances against the team in November. He was upset because he felt he had not received the respect he deserved from management, namely the team's general manager, Jerry Krause, and because the Bulls had tried to trade him last summer. He is also, by today's NBA market, under-paid. He will make \$2.7 million this season, the final year of his contract.

Named one of the top 50 players in NBA history, he ranks 122d in salary in

He says he has no regrets about going public with his complaints. "This is the frustration I've been going through for the last couple of years and over the summer, having to deal with all the trade talk and things of that nature," he said. "I think a player of my caliber de-serves better, so I had to stand up and

speak out for myself." Pippen said he did not know if he would be traded before next month's deadline, adding that he preferred now to finish the season with the Bulls.

But he said his relationships with management were still damaged. Pippen was cheered loudly the first time he touched the ball, and then again

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when he hit his first shot — the first basket of the game.

about it, how important it is to us. He made his decision without input from

Jordan bailed out the Bulls, scoring 17 of his 32 points in the fourth quarter on Saturday night. Dennis Rodman had 16 rebounds for the Bulls, who have won their last 14 home games to improve to 18-1 at the United Center.

Reptors 102, Cavaliers 93 Damon Stoudarnire scored 34 points as Toronto beat reeling Cleveland. The Raptors

NBA ROUNDUP

held off a late rally by the host Cavs. who played sluggishly two nights after a demoralizing loss to Seattle.

Lloyd Daniels, who signed a 10-day contract with Toronto on Jan. 6, scored 21 points as the Raptors snapped a sixgame losing streak and improved their record to 5-30.

Timberwoives 108, Nets 101 Tom Gugliotta scored 24 points, including six in the final four minutes, as Minnesota beat New Jersey.

Sam Mitchell added 18 points and Stephon Marbury had 17 for the Tim-berwolves. Keith Van Horn and Kerry Kittles each scored 22 points for the Nets, who had their four-game home

winning streak snapped.

Magic 90, Cettics 82 Rony Seikaly had 19 points and 12 rebounds, and Orlando outscored visiting Boston 29-5 from the foul line.

The victory was only the third in the last 13 games for the Magic, who have struggled to find consistent scoring with Penny Hardaway, Nick Anderson and Derek Strong on the injured list. Boston, which never led, has lost four straight in a span of five days.

Antoine Walker led the Celtics with 21 points and 12 rebounds before being ejected with 1:09 remaining after hanging on the rim after a dunk and drawing his second technical foul.

Pacers 84, Mavericks 79 Reggie Michael Jordan said he was glad to Miller's 3-pointer with 32.5 seconds left have his All-Star sidekick back. "It's gave Indiana the lead for good, and the

about time." Jordan said. "It was all his decision. He had time enough to think quarter deficit for a victory over the quarter deficit for a victory over the Mavericks in Dallas.

Miller scored 24 points, Rik Smits had 14 and Mark Jackson added 13 for the Pacers, who have won five of six. Shawn Bradley's 17 points and 14 rebounds led the Mavericks, who have lost 17 of 18.

Jazz 111, Rockets 84 In Houston, Karl Malone scored 24 points and Utah's coach, Jerry Sloan, won his 600th NBA game as the Jazz beat the injury-depleted Rockets. Utah has won six straight and 10 of its last 12 games. Houston has lost eight of its last 11, including four straight at home.

Sloan improved his career record to 600-370. His victory total includes 506 with the Jazz and the rest with the Chicago Bulls from 1979 to 1982.

Houston played without four injured starters — Charles Barkley, Clyde Drexler, Hakeem Olajuwon and Matt

Spurs 109, Kings 67 Tim Duncan scored 28 points, David Robinson added 24 and the host Spurs rebounded from a crushing loss in Phoenix with a rout of

A night after their five-game winning streak was snapped in a 21-point loss to the Suns, the Spurs ended Sacramento's winning streak at four games.

The Kings scored just 40 points over the final three quarters after finishing the first period tied at 27-27.

Bucks 95, Trail Blazers 90 In Milwaukee, Ray Allen scored 23 points, and Armon Gilliam had four of his 21 in overtime as the Bucks defeated Port-

Kenny Anderson scored a seasonhigh 31 points and Rasheed Wallace had 23 points and 10 rebounds for Portland, but the Trail Blazers still extended their losing streak to four games.

Portland's coach, Mike Dunleavy, received scattered boos during pregame introductions. It was his first trip back to Milwaukee since resigning last April after five straight losing seasons - four as coach and one as general manager of



Scottie Pippen, back in action after missing 35 games with an injured foot, going up for a jump shot against the Warriors' Donyell Marshall.

Mickelson Leads, but **Hot Duval Gives Chase** New York Times Service

CARLSBAD, California — What sounded improbable to David Duval just several months ago is now very possible. Entering the final round of the Mercedes Open, Duval was in position to become the first man since Ben Hogan in 1953 to win four consecutive starts on the PGA Tour.

Duval hit a six-under-par 66 he enjoyed on Saturday, when birdies came in bunches, mistakes were at a minimum and momentum was on his side.

Chasing history, he ended Saturday at 12 under par, one stroke behind Phil Mickelson. Four other players were within three strokes of the lead.

John Cook, the first-round leader, and Nick Price were tied at 11 under, while Gabriel Hjertsted and Frank Nobilo were at 10 under.

Mickelson, who shot a two-under 68 Saturday, had a chance to take a two-stroke lead into Sunday, but he bogeyed

the 18th hole.

The completion of his round ended a long day. Rain suspended Friday's second round with most of the 30-man field still on the course. Mickelson played 28 holes Saturday, and Duval 29, yet Mickelson showed how badly he wanted to win by heading straight for the driving range.

Tar Heels Hit Free Throws

The Associated Press

points and No. 1 North Carolina made a season-high 35 free throws Saturday to beat Virginia, 81-73. The Tar Heels (17-0, 4-0 Atlantic Coast Conference) won for

Antawn Jamison scored 26

COLLEGE BASKETSALL

the 33d time in 34 games. The Cavaliers (8-7, 1-2) fell to 3-55 in Chapel Hill.

No. 2 Duke 75, No. 13 Florida St. 63 In Tallahassee, Roshown McLeod scored 25 points as Duke (14-1, 4-0 Atlantic Coast Conference) handed the Seminoles (12-4, 1-3 ACC) a second straight loss.

San Diego St. 81, No. 21 Hawaii 72 In San Diego, San Diego State registered its first victory over a ranked team in 10 years.

Hawaii, in the AP's Top 25 for the first time since January 1974, had its six-game winning streak snapped. The Rainbows (11-2, 0-1 Western Athletic Conference) were playing their first game on the mainland this season.

Wyoming 58, No. 12 New Mexico 55 At Laramie, Wyoming, Gregg Sawyer scored 18 points and Jeron Roberts added 17 to lead Wyoming (11-2) past the Lobos (11-2).

The Blues' Jim Campbell, left, taking a spill after colliding with the Flames' Derek Morris in the first period of St. Louis's 5-1 victory. ida with 8:35 to play in the third period

Messier Joins Elite With 1,000th Assist

Mark Messier became the sixth NHL player to record 1,000 career assists when he helped set up Alex Mogilny in the second period of a 2-2 tie between the Vancouver Canucks and Florida

Messier's 23rd assist of the season came on a power play with seven seconds remaining in the second period Saturday night. With Robert Svehla serving a fiveminute penalty for spearing. Messier fed pass to Trevor Linden, who deflected the puck over to Mogilny.

Mogilny was playing his first game with the Canncks in almost a month after missing 10 games with a groin Messier joined three other active

players in the 1,000-assist club, which is led by the all-time leader and Messier's former teammate, Wayne Gretzky, who has 1,873 assists. Radek Dyorak tied the game for Flor-

Period: D-Yzerman 12 (Kaztov, Felisov) 6, D-Lehtinen 16 (Modano, Chambers) Overlime:

None, Shots on goot: D- 7-7-10-2—26. D- 6-17-6-0—23. Goodles: D-Ospood, D-Belfour.

when he converted a pass from Ray Whitney for his sixth goal of the sea-Hurricanes 2, Islanders 1 Bates

Battaglia's first NHL goal came at 1:59 of overtime as visiting Carolina beat the Islanders, handing New York its 10th consecutive loss. Penguins 4, Devils 1 In Pittsburgh, Stu

Barnes scored three consecutive goals

NHL ROUNDUP

in the second period for his first hat trick in more than six years as the Penguins beat New Jersey. Jaromir Jagr assisted on all three of Barnes's goals. The Penguins had lost five consecutive games to New Jersey and had been outscored 7-1 in this season's two losses.

Blackhawks 4, Maple Leafs 3 Alexei Zhamnov's goal with 4:45 remaining lifted Chicago over host Toronto. Zhamnov was allowed to skate un-

Courtnall scored twice in the third period to lead the Blues to their fourth straight triumph. Senators 3, Avalanche 3 In Denver Sandis Ozolinsh and Rene Corbet

wrist shot handcuffed Felix Potvin.

Blues 5, Flames 1 In Calgary, Geoff

scored 17 seconds apart in the third period as Colorado denied Ottawa its first road victory ever against the Ava-

Sharks 5, Sabres 2 Bernie Nicholls and John MacLean each had a goal and an assist as host San Jose defeated Buffalo. The Sharks ended a two-game losing streak as Mike Vernon turned back 17 shots. Michal Grosek and Randy Burridge scored for Buffalo.

Ollors 4, Kings 3 Bill Guerin scored during a four-minute power play and Kelly Buchberger connected during a five-minute advantage as visiting Edmonton beat Los Angeles Kings for its third straight victory. Tony Hrkac opened checked into the Toronto slot and his the scoring with a power-play goal.

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SAFUEDAY'S RESURTS

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UCLA 68, Oregon 66 New Mexico 55, Wyoming 58 Mississippi 74, Alabama 63 HOCKEY NHL STANDINGS FRIDAY'S RESULTS

North Caroline 81, Virginia 73
Duke 75, Florido State 63
Utoh 71, Brigham Young 61
Kansas 102, Texas 72
Arizona 110, Washington 91
Kentucky 77, Mississippi State 71
Stanford 84, California 74
Purdue 86, Houston 53
IKT a 68, Organs 66 11-6-0-23. Goalles: D-Osgood, D-Beffour.
Florida 1 1 1 6-3
Calgary 0 1 2 9-3
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22 14 8 54 125 104
20 16 8 48 111 106
19 20 6 44 107 107 rinst Period: N.Y.-Green 12 (Reichel, Jousson) (pp). Secsed Period: C-Kron 11 (Kapanen, Lexchystryn) Third Period: None. Overfittet: 3. C-Baffaglia 1 (Roberts, Ronheim) Shots on goal: C. 4-8-4-1-19. N.Y.- 13-9-8-0-30. Goalies: C-Kidd. N.Y.- Finherty. 17 23 6 40 116 129 15 20 8 38 101 114 W L T PIS GF GA 28 10 8 64 143 95 26 11 9 61 151 110 26 15 6 59 141 115 20 18 7 47 124 119 16 19 9 41 102 102 14 22 25 103 129 CIEC DEPOSITION 22 9 13 9 139 137 13 17 19 8 42 122 125 16 22 5 37 104 119 14 22 9 37 109 133 14 23 8 36 105 137 12 25 10 34 117 142 12 25 8 32 122 156 Philadelphie 1 0 6—1 Washington 1 3 0—4 First Period: P-Brind-Amour 16 (Designation, Therfen) 2 W-Brunctle 6 (Conchar) Second Period: W-Bondro 27 (Hunter) 4 W-Timordi 8 (Beythe, Huston) 5, W-Berube 4 (Hunter, Miller) Third Period: None, Sherts on goet; P-10-87—25. W-4-8-6—17. Georgies: P-Show,

MAJOR COLLEGE SCORES

North Carolina 81, Virginia 73

N.Y. 13-9-8-0-30. Gentles: C.-Kidd. N.Y.Fisherly.

New Jersey

0 0 1—1

Pitstergh

8 4 0—4

First Period: None. Second Period: P-Bornes

13 (Franch: Jogd) (pp). 2. P-Bornes

14 (Hatcher, Jogd) (pp). 3. P-Bornes

15 (Werenku: Jogn) 4 P-Long 7 (Hicks.

Werenku) Third Period: N.J.-Amoff 6

(Bodger, Gilmour) Starts on god: N.J.- 12-7

2-26. P- 10-12-12-34. Goddles: N.J.
Brodeur, Dunhom. P-Skudra.

Cklonge

1 2 1—4

Terodie

First Period: C.Amonte 15 (Loftontres, Miller)

First Period: C.Amonte 15 (Loftontres, Miller) Terente
First Period: C. Amonte 15 (Loffontma, Allier)
2. T-Stadin 17 (D.)Cing) Second Period: CDaze 16 (Stock, Chelios) (pp.). 4. C-Dubristy
3 (ARIs. Suter) 5. T-D.King 10 (Stadin) Third
Period: T-Sundin 18 (Prochazko, Berezh) 7.
C-Zhamanov 10 (Amonte, Laffanmae) Stols on Calcrade
First Period: O-Yoshin 17 (McCachen)
Second Period: None. Titinf Period: C-Corbet
9 (Knpp. Deadmarst) (pp). 3 O-Yoshin 18
(Alfredsson, Arvedsson) 4 O-Yoshin 19
(Dackell) 5 C-Ozolinsh 6 (Kamensky, Krupp)
(pp). 6 C-Corbet 10 (Odgen, Lacrob)
Overflant, None. Shels on god: 0-10-6-6
3—27, C-10-11-11-2—34. Godfes: O-Rhodes. 10-8-7-25. W-4-8-5-17. Gentlets: P-Snow, W-Kohig.
Tompe Bay
4 7 9-1
New Jersey
3 1 8-4
First Period: N.J.-Roiston 8 (Stevens, Corported) 18th, 2 N.J.-Gilmour 11 (Amost, Elius) 3, N.J.-Pondolfo 7 (Roiston, Corporter) Second Period: T-Gourcell 11 (Yasbacri). 5, N.J.-Gilmour 12 (Holit, Niedermayer) (pp). Third Period: None. Shots on goal: T-8-11--18, N.J.- 12-8
7-27. Gedlins: T-Stert, Wilcheson, N.J.Brodeur.
Phoenix
8 2 2-4
Chicago
1 1 9-2
First Period: C-Date 15 (Black, Weinrich) 8 (Shrvens, open 11 (Amott, 12 (Calgary) 1 (Amott, 13 (Calgary) 1 (Amott, 14 (Calgary) 1 (Amott, 15 (Calgary) 1 (Amott, 16 (Calgary) 1 (Amott, 17 (Calgary) 1 (Amott, 17 (Calgary) 1 (Amott, 17 (Calgary) 1 (Amott, 18 (Amot

(pp). Secand Period: P-Roenick 12 First Period: V-Sillinger 9 (Ohlund, Bure) (Verdovsky, Numminen) (pp). 3, C-Suter 7 (sh), 2, F-Neidermoyer 8 (Svehia, Sheppord) (Amonite) 4, P-Tisachtok 27 (Numminen, Ronning) (pp). Taker Period: V-Magiliny 7 (Linden, Messier) (pp). Third Period: F-Dyrothé 6 (Willinew, Weshburt) Overtiene: Nove. She 6 (Whitney, Woshburn) Overtime: None, She's on god: F- 8-5-12-1-26, V- 8-9-4-0-21. Godiles: F-Vanbiesbrouck, V-Burke. Buffalo 0 1 1-2 First Period: S.J.-Rucci 3 (Friesen, Gill) (pp)

2 S.J.-Mariow 8 (Noton, McSorley) Second Period: S.J.-Zyuzin 2 (Craven, Nicholis) 4 B-Grasek 6 (Brown, Barnaby) 5, S.J.-MacLea 9-19—42 Godilets: B-Hosek. S.J.-Vernon.
Ediziontea 1 2 1—4
Less Angules 1 1 1—3
First Period: E-Hrkoc 7 (Kovotento.
Zeleputkin) (pp). 2 L.A.-Tsypitkov 11,
Second Period: E-Weight 15 (Hamfills.
McAmmond) 4 E-Guerin 7 (Hamfills.
Weight) (pp). 5, La-Laftyyette 2 (Berg.
Stumpe) Triatt Period: E-Buchberger 4
(Marchinet 1 Independ (pp.) 2 L. 8, Bete 8

anompe; (1987) Period: E-Buchberger 4 (Marchant, Lindgren) (pp), 7, LA-Blate 8 (Galley, Robhtoille) (pp), Shots on goet E-10-19-17—46. LA- 9-8-14—31. Godies: E-Joseph, LA-Fleet

CRICKET MOTODONCE CUP MOTA VS. BANGLADESK SATURDAY, IN DHAKA, BANGLADESH bodesh: 190 (48 overs) india: 191 (46.2 overs) Result: India won by four wickets. SUNDAY, IN DHAKA, SANGLADESH

AUSTRALIA VS. SOUTH AFRICA Australia: 235-8

ilt: South Africa won by five wickets
ZIMBABWE VS. \$81 CANKA FIRST TEST, STH DAY
SUMPAY, IN KAMDAY, SRI LANKA
Sri Lanks: 469-9 declared Zimbabwe: 140 and 338 all out

> WORLD CUP MEN'S SUPER-O SLALOM

SATURDAY Nº SCHLADBING, AUSTRIA

1, Herminn Marier, Austria, 1:14.95 minvies; 2, Stephan Eberthorter Austria, 1:16.10;

3, Luca Coftaneo, Italy, 1:16.36; 4, Fredrik
Nyborg, Sweden, 1:16.57; 5, Patrik Josebyn
Sweden, 1:16.55; 6, Andreas Schifferer, Austria, 1:16.97; 7, Guenther Moder, Austria,
1:17.07; 8, Wenner Foura, Austria, 1:17.13; 9,
Kristian Ghedina, Italy, 1:17.17; 10, Didler
Cuche, Switzeriand, 1:17.25.

SUMDAY Nº SCHIADBING, AUSTRIA 1, Majer, 1:14.84 2, Schifferer, 1:16.03 3.

2 1 2—5 Eberharker, 1:16.14.4. Ralner Sofzgeber, Austria, 1:16.54. 4, Poler Runggeidier, Italy. 1:16.54. 6, Lerbyn, 1:16.65.7. Pour Accord. Switzerland, 1:16.65.8. Adescendro Fottori. Italy. 1:16.58.8. Adescendro Fottori. Italy. 1:16.59.9. Cuche, 1:17.14.10. Doron Robives, United States, 1:17.29 of Current 19, Taleston. 17. C. 4-11-12—27. Advanced States, 1:17.29. Advanced States

Eberharter, 1:16.14.4, Rainer Satzgeber, Aus-

Kjus, Norway, 354; 9, Hans Knooss, Austria, Affetico de Modrid 1, Real Madrid 1 336; 10. Josef Strobl, Austria, 312. Affetico 2, Oviedo 1 336: 10, Josef Simbl, Austria, 312.

#LIPER-G STANDMORG (After 3 reces):
1. Maier, 300 points; 2. Eberharier, 220; 3.
Schifferer, 120; 4. Cuttoneo, 108; 5. Nyberg,
91, 5. Jarbyn, 91, 5. Cuche, 91; 8. Accola, 78; 9.
Knause, 76, 9. Mader, 76.

WOMEN'S GLART SLALOM

SATURDAY, M BORABO, ITALY
1. Martina Erit, Germany, 2 minutes, 21,89
seconds (first run 1:08.79/second run1:13.10);
2. Kuffin Scizioner, Germany, 222,63

 Katja Seizinger, Germany, 2:22.63 (1:08.95/1:13.68);
 Deborah Compognoni, (1108.59/1:13.681; 3. Deborah Compognoni, Italy, 2:22.67 (1:08.88/1:13.79); 4. Andrine Fleramen, Norway, 2:22.85 (1:08.58/1:14.27); 5. Sanja Nei, Switzerland, 2:23.46 (1:09.33/1:14.13); 6. Alexandra Meissnitzer, Austria, 2:23.66 (1:08.53/1:14.73); 7. Lelia Piccard, France, 2:24.16 (1:09.26/1:14.90); 8. Hilde Gent, Germanus, 2:24.2 Hilde Gerp, Germony, 224.39 (1:99.197:15.20); 9. Cofficerine Borghi, Switzerlond, 224.48 (1:99.78/1:14.70); 10, (fie) Spala Prefror, Slovenia, 2-25.06 (1:10.47/1:14.59); 10, Stefanie Schuster, Aus-fria, 2-25.06 (1:09.73/1:15.35).

htta, 225,06 (1:09,73):15,33).

SURDAY, N BORRIDO, ITALY

1. Hilde Gerg, Germany, 1 minute 35,01 seconds (first run 47,07/second run 47,94) 2. Kristina Koranick, U.S.-123,28 (46,97424,25) 3. Pretnar, 135,52 (47,37/48,15) 4. Laure Pequegnot, France, 1:25,65 (47,30/48,35) 5. Sobine Egger, Austria, 1:35,89 (47,38/48,31) 6, Trine Buttle, Nerway, 1:36,7, Compagnoni, 1:36,89 (48, 84, 84, 84) 8, U.S. Marwert, Sic. 1:36.49 (47.88 + 48.61) 8, Urska Hrovat, Slovalda, 1:36.61 (47.61 + 49.00) 9, Yivo Nowen. Sweden, 1:36.62 (47.88 + 48.74) 10, Lara Magoni, Haly, 1:36.69 (48.14 + 48.55) OVERALL STANDENGS: 1, Scizinger 1,079 points: 2, Gerg. 902: 3, Campagnani 781; 4, Erit, 739: 5, Nowen, 662: 6, Meissnitzer 561; 7, Isolde Kostner, Staty, 406; 8, Piccord, 377, 8, Hrovat, 377; 10, Renate Goetschi, Aus

170, 361.

SLALOM STANSPHEES: 1. Nomen, 509
points 2. Keznick, 35% 3. Gerg, 279; 4. Conpagnent, 27% 5. Hrovat, 228; 6. Sieggal, 22%; 7. Pretruc, 183; 8. Bakke, 172; 9. Egger, 168;

SOCCER INCLISH PRIMITE LEAGUE Arsenal 2, Leods 1
Aston Villa 7, Lelossier 1
Bolton Q, Southampton 0
Cheisea 3, Covenity 1 Crystal Palace 1, Evertan 3

Liverpool 2, Wimbledon 0
Manchester United 2, Toffenham D
Sheffleid Wednesday 2, Newcostie 1 West Ham 6. Barnsley 0 Derby 3, Blockburn 1 STANDBROS: Manchester United 49 points: Chelsen 42: Blackburn 41; Liverpool 40; Ar-cend 37; Derby 35, Leeds 35; West Hum 34; Leicester 25; Aston Villa 77; Newsotte 28, Siveffield Wednesday 26; Southompton 25; Wimbledon 24: Everton 23. Coventry 23, Co

Bornsley 18.
FRENCH FIRST DRYISION
Metz 1, Rennes 0
Monaco 0, Cannes 1 Lyon 2. Marsellle 1
Chaleauroux 3. Auxerre 2
Bordenux 2. Bassin 0
Toulouse 1. Le Howe 0 Paris \$1 Germain 2, Strasb **meas:** Metz 45 points: Paris St Ger moin 44, Monaco 41; Marselle 37, Lens 37; Berdeaux 35; Auxerre 33; Lyon 32; Bastio 29; Toulouse 28; Montpeller 27; Geleganip 24; Montpeller 27; Geleganip 24; Merido 2. Oviedo 1 Zerogozo 1, Celto 0 Espanyol 0, Athletic de Bilboo 1 Betis vs. Valladolid (Postponed) Salamanca 0, Racing de Santan

Deporting de La Comma 1, Tenerifie 0 Sporting de Glan 0, Compostela 2 STANDIBOUS: Barcelona 40 points, Real Madrid 40: Real Sociedad 35, Affelica Bilibao 35: Allefico Madrid 34: Espanyol 32: Celta Vigo 31: Belts 29: Zuragaze 28: Majorca 27: Ovledo 24: Racing Santander 24: Merida 23: Compostela 20, Valladalid 20; Tenerife HALIAN FIRST DIVISION
Burt C. Atsigntu 0
Brescia 1, Florenting 3

Empoli 6, Bologna 0 Juventus 2, Vicenza 0 Lazia of Rome 4, Lecce 0 AC Millon Q, AS Rome 0 Placenza Q, Inter Millon 1 Sampdorio 5, AC Parma 2 STANDINGS. Inter Allon 36 points; Juventus 32: Udinese 29; Pormo 26; Lozio 25; Florentina 24, AS Roma 24, AC Allon 25; Sompdoffo 22; Vicenza 48; Bologna 16, Barl 16; Empoli 15; Brescia 14; Placenza 13, Attafanto Bergomo 13; Lecce 11; Napoli 5.

TENNIS AUSTRALIAN HARDCOURT CHAMPI-

ONEMBER
MEN'S SEMSTRALS
Joson Stollenberg, Australia, def. Todd
Woodbridge (5), Australia, 6-4, 6-1; Lleyton
Newitt, Australia, der. Andre Agossi, United
Stotes, 7-6 (7-5), 7-6 (7-6).

HENS FINAL Hendit det Stollenberg, 3-6, 6-3, 7-6 (7-4), WONEEN'S FINAL Al Sugiyana (4), Japan, del, Maria Vento. HOPMAN CUP

SATURDAY, IN PERTH, ALISTRALIA
SLOVAKRA 2. FRANCE 1
Mary Pierca. France, def. Konho Habsudova, Slovakka, 6-4, 7-5; Korol Kucera. Slovaka, def. Cedric Piolone, Fra. 7-6, 10-7), 6-4.
Kocera and Habsudova, Slovakka, def. Ploline and Pierce, France, 6-1, 6-4.
QAZDAR OPEN
SEMPINALS
Fabrice Santero (8), France, def. Gorun Ivanisevic (4), Craafia, 6-1, 6-4; Petr Korda (3), Czech Republic, def. Andrel Medvodev (7), Ukraine, 6-3, 6-4.

Kords (3) del. Santoro (8), 6-0 6-4

TRANSITIONS

AMERICAN LEAGUE
AMAMEM—Agreed to terms with RHP
William VonLondingham on 1-year contract.
Signed INF Morberto Morbin to 1-year con-AALTIMORE ORIOLES—Bought controct of LHP Norm Chariton from Rochester, IL Des-ignated RHP Heator Ramales for assignment CHICAGO—Agreed to terms with OF Ruben Sterm und RHP Jim Builtinger on minorleague contracts. Kansas CITY—Agreed to terms with LHP

Brandon Knight and RHP Dan Smith to 1-MATYONAL LEAGUE

ARTONAL LEAGUE
ARTONAL-Agreed to terms with LHP Mark
Dorls on minor-league contract.
ATLARTA-Agreed to terms with LHP
Bruce Chen, LHP Damion Moss, RHP
Dwayne Jacobs, C Fernando Lunar, C Pascuol Marios and INF Glen Williams on 1-year contracts.

HOUSTON—Agreed to terms with LHP Pete
Schourek and RHP Reggle Harris on minor-

ATLANTA—Suspended G Ed Gray 1 game for falling to appear at medical oppointment Friday. Put G Mookle Blaylock on Injured list, GOLDEN STATE—Signed G Carl Thomas. FOOTBALL NATIONAL FOOTBALL LEAGUE

NATIONAL HOCKEY LEAGUE

AMAHEIM-Traded D Bobby Dollas to Ednonfor for D Drew Bonnister, CALGARY—Recalled F Erik Andersa Sotral John, AHL. CAROLINA—Assigned G Tracy Tripp to New

Haven, AHL. Recalled G Alike Foundain from New Haven, Assigned G Pat Joblanski to Cleveland, IHL. CHICAGO—Recalled F Ryan Huska from Indianapolis, IHL. o Hershey, AHL

om Inkured Kat. Troin injured iss.

DETROIT—Recalled LW Darryl Laplante
from Adfrondack, AHL. Assigned RW
Alexandre Jacques to Toledo, ECHL Resigned F Doug Brown to 3-year contract,
EDMONTON—Claimed C Tony Hrise off FLORIDA—Signed D Joey Tetarenko, As-

signed G David Lemonowicz to Tallahassee. LA KINGS—Assigned G Frederic Chobat to Houston, IHL.
NEW JEKSEY—Recoiled LW Joy Par from Albumy, AHL. Sent D Bryon Muir to Albany, Assigned G Richard Shulmishra, C Brendon Morrison, C Sergel Brylin and D Brad Bombardir to Albany, AHL, Signed RW Randy McKay to multipear confract exten-sion. Traded LW Reld Stragger to Chicago for

1998 4th-round droft pick and future can N.Y. ISLANDERS-Repssioned LW Seon Haggerly to Kentucky, AHL.Recoiled C Kip Miller from Utah, IHL. N.Y. RANGERS—Recolled D Gooff Smith and D Romie Sundin from Honford, AHL
OTTAWA—Recoiled D Rodim Biconek from

utobo, IHL. Returned C Derek Armskong to Heatford AHL ringfleid, AHL Dome to Sympose, AHL

ST. LOUIS BLUES-Assigned RW Chris Ke-

nady and D Libor Zabransky to Worcester.

VANCOUVER-Assigned LW Dave Roberts Ishin from Portland, AHI

Claris Honey on 1-year contract.
TEXAS—Agreed to terms with OF Torm ALABAMA
Goodwin on 1-year contract. Signed RHP ball coach. COLLEGE
ALABAMA AKM—Fired Ken Pailiford, foot-

Herald Eribung PORTS

WORLD ROUNDUP

Was Tyson There?

RUGBY UNION Officials of the London Scottish club called on the Bath club to ban one of its players for ear-biting. The problem is that nobody seems to know who the guilty man is, except the player himself and, so far, he has not confessed.

Officials would not say exactly what happened, but Ashley Rowden, referee of the match Saturday between Bath, one of England's top clubs, and London Scottish, said the Scottish player Simon Fenn had part of his left ear lobe bitten off.

"In my experience as a referee, I have never experienced anything like it — the player was clearly missing some part of his ear lobe — and it looked quite bad,"
Rowden said. "There was a lot of plood. Fenn, a 26-year-old Australian

making his debut with London Scottish in the Tetley's Bitter Cup fourth-round match, was taken to a hospital and asked not to comment by team officials.

The London Scottish chief executive, Richard Yerbury, said that Fenn underwent plastic sur-gery on Sunday. (AP. Reuters)

Conner Makes Protest

SAILING Toshiba and its skip-Standbridge, lodged a protest against EF Language after the end of the fourth leg of the Whitbread round-the-world race.

The protest — the first since the yachts left Southampton, England, in the fall — will be considered Tuesday by an interna-tional jury meeting at the Royal New Zealand Yacht Squadron. Toshiba finished second in the

leg, just two minutes behind Merit Cup.
Conner claims he was put at a

disadvantage in the tightly con-tested leg because EF Language did not display navigation lights on the night of Jan. 8.
"Toshiba was at a disadvantage

by not being able to keep visual contact with our close competition," said the team's protest. EF Language, skippered by Paul Cayard, finished behind

Toshiba in the leg but has a 39-point overall lead over Merit Toshiba is in fifth place, 73

points behind EF Language.
(AP, AFP, Reuters)

South Africa in Final

CRICKET South Africa clinched a berth in the World Series final later this month by beating Aus tralia by five wickets in Brisbane on Sunday.

Australia batted first and made 235 runs in its 50 overs. South Africa reached the target with 2.3 overs to spare for the lost of five wickets.

Gary Kirsten anchored the in-

nings with a fluent 89, including 11 fours.

• In Dhaka, Bangladesh, India beat Pakistan by 18 runs in its Independence Cup match Sunday. India scored 245 runs in 37 overs and Pakistan reached 227 for nine

wickets in reply. • In Kandy, Sri Lanka, Mut-thiah Muralitharan, a spin bowler, finished with 12 wickets in the match as Sri Lanka beat Zimb-

abwe by 10 wickets. Zimbabwe battled to 338 all out on the final day. Leaving Sri Lanka needing to score just 10 runs to win in its second in-

Bandits on Dakar Route

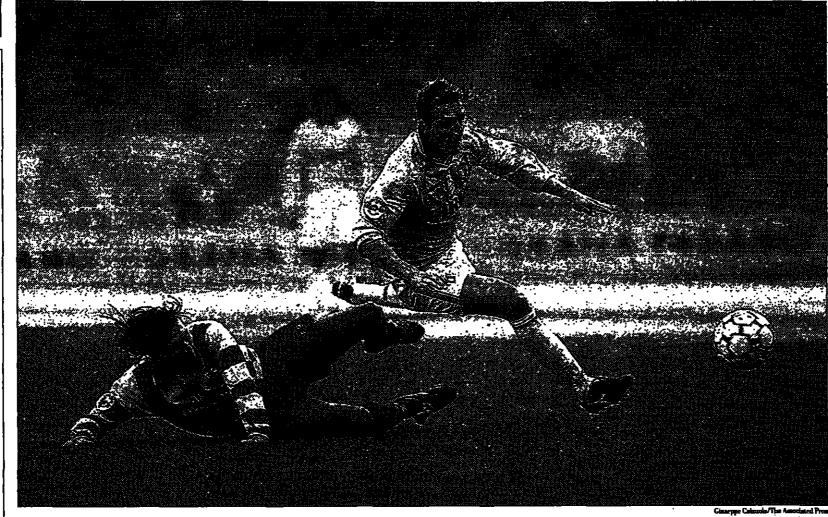
RALLYING Bandits attacked vehicles in the Paris-Dakar race and stole one of them, according to organizers who canceled the 10th stage through Mali.

The Saturday stage of the Paris-Dakar race was to run from Taoudenni to Gao, over a distance of 918 kilometers (550 miles). But Friday night, an unidentified group of about eight men attacked two competing as they

approached the bivouac. Organizers denied Saturday that the attacks had forced the suspension; they said the cancellation was called to regroup contestants spread out over the



Aldo Winkler pushing his motorcycle over a dune after a fall in the Paris-Dakar rally.



Maurizio Rossi of Lecce, left, tackling Alen Boksic of Lazio during their league match in Rome on Sunday. Boksic scored twice as Lazio won, 4-0.

Inter Stays on Top, Downing Piacenza, 1-0

Paris-Saint Germain Beats Strasbourg, 2-1; Rangers Still on Track for Scottish Title

Compiled by Our Staff From Disputches

Francesco Moriero scored after a superb solo run to give Inter Milan, the Italian Serie A leader, a 1-0 victory at Piacenza on Sunday.

Inter won for the 11th time in 15

league matches and remained four points ahead of second-place Juventus. Moreiro scored in the 69th minute. He received the ball on the right wing and dribbled past three defenders

EUROPEAN SOCCER ROUNDUP

before placing a precise shot in the far corner of the goal, beyond the dive of Matteo Sereni, the Piacenza goalkeeper. Inter had suffered a humiliating 5-0 defeat to its neighbor, AC Milan, in the Italian cup quarterfinal during the

We wanted to show that we had forgotten what happened the other night," said Luigi Simoni, the Inter

Simoni said the game Sunday was a 'real battle." Ronaldo, Inter's star striker, was guarded well by Pietro Vierchowod, 38, a former Italian national defender. And Piacenza frequently threatened the Inter goal.

Gianluca Pagliuca, the Inter goalhome team threatened to equalize until a Strasbourg. midfielder, Alessandro Mazzola, received a red card in the dying seconds.

Meanwhile. Juventus, the reigning champion, beat Viacenza by 2-0 on Sunday. It was Vicenza's fourth straight

The goals came from Alessandro Del Piero's first-half penalty kick and Ciro Ferrara's 76th-minute header.

Parma, in fourth place, lost ground by being thrashed, 5-2, at Sampdoria. Giuseppe Signori scored twice for Samp-

doria, his first goals for the club since joining from Lazio in December. Parma's defense had conceded just 11 goals in its previous 14 league

AC Milan and AS Roma drew, 0-0, at the San Siro in Milan, allowing Lazio to leap over both clubs into fifth place with a 4-0 victory against lowly Lecce at the

Olympic stadium in Rome. In Milan, a Roma striker, Francesco Totti, crashed a shot against the Milan crossbar in the closing moments.

Roberto Rambandi and Diego Fuscr broke a first-half deadlock before Alen Boksic scored two late goals. Suker has scored six goals in the last five games.

Gabriel Batistuta, Serie A's top scorer, raised his season's total to 14 by scoring Fiorentina's second goal in an

impressive 3-1 victory at Brescia. Bologna moved away from the relegation zone with a 0-0 draw at Empoli, where Roberto Baggio was presented with a medal to commemorate his 300th Italian-league match.

SPAIN Athletic Bilbao moved up to fourth position in the first division on Sunday after a goal by Julen Guerrero ended the unbeaten home record of fifth-placed Espanyol.

On Saturday, Savio Bortolini began providing a return on the \$13.3 million investment that Real Madrid made in him in December with his first goal in a

The Brazilian midfielder put the panish champion ahead after being on the field for just six minutes in the match against its local rival, Atletico. Another second-half substitute, Jose Mari Romero, scored four minutes from

time to give the home team a 1-1 tie. FRANCE Paris-Saint Germain revision with a 2-1 victory over Strasbourg in Paris on Sunday. Eric Rabesandratana gave PSG the lead after 53 minutes and Marco Simone scored keeper, made a series of saves to thwart the second goal in the 72d minute. Pas-Davide Dionigi in the first-half and the cal Nouma headed in a late goal for

Metz beat Rennes, 1-0, on Saturday to retain top spot.

Bottom-of-the-table Cannes added some spice to the championship race by beating Monaco, the reigning champion, 1-0. SCOTLAND Rangers beat Aberdeen,

by 3-0 on Saturday to stay on course for its 10th successive Scottish League Rangers raced into a two-goal lead

with scores from Sergio Porrini in the ninth minute and Brian Laudrup in the Aberdeen, facing relegation from the

Premier Division for the first time,

played the last 25 minutes with 10 men after the Bulgarian midfielder Ilian Kiriakov received a red card. Porrini's goal might have eased any

guilt he might have been feeling for putting his teammate Marco Negri out of the game. Negri, the top scorer in Europe this

season with 30 goals, was forced to miss

the match after being hit in the eye by a Celtic lost ground on its old rival when it was held to a 1-1 draw at Motherwell, which took the lead with a

Willie Falconer header after 55 Paul Lambert, a recent signing from Borussia Dortmand, was the Celtic sa-

vior with a goal from 30 meters in the 61st minute

 Paul Gascoigne, the England in-ternational midfielder, apologized on Saturday for miming a flute-player dur-ing the so-called Old Firm match between Rangers and Celtic last week.

Gascoigne, who did not play against Aberdeen on Saturday, was fined by Rangers on Friday for his actions.

Gascoigne pretended to play an imaginary flute -a symbol of the Protestant marches favored by the Rangers fans and considered inflammatory by the mainly Roman Catholic Celtic fans - as he warmed up before coming on as a substitute.

Gascoigne said, "I would like to unreservedly apologize for my actions during the match at Celtic Park last

Gascoigne performed the same routine in 1995 shortly after joining Rangers. He apologized afterward, sayhe had not realized it would cause offense to Catholics.

Gascoigne's gesture was not noticed which Celtic won by 2-0, but it was captured on television and led to widespread criticism.

In Saturday's letters page of The Times of London, Gascoigne's agent, Mel Stein, wrote that Celtic fans had been chanting constant taunts.

The Steelers By 24-21 Elway Leads Denver

Broncos Top

Into the Super Bowl

PITTSBURGH - This time, John Elway didn't need a fourth-quarter comeback to get back to the Super Bowl. The Denver Broncos, one year after

they couldn't get there even with the home-field advantage, took a 10-point lead on Elway's two touchdown passes in the final two minutes of the first half, then held off turnover-plagued Pitts-burgh for a 24-21 victory Sunday in the AFC championship game.

Elway also led a tense drive in the final minutes to keep the ball away from the Steelers, who pulled within three

AFC CHAMPIONSHIP

points on Kordell Stewart's touchdown pass with 2:46 left for the only points of

the second half. After an eight-year wait, Elway, the Broncos' 37-year-old quarterback, has a fourth and possibly last chance to win

the Super Bowl. The last two AFC championship games in Pittsburgh went down to the final play, just as Elway's first two victories in the AFC title game in the 1986 and 1987 seasons did. Nobody is better in winning games in the fourth quarter than Elway, who has led 42 such comebacks in a career that will almost

certainly end in the Hall of Fame. This time, Elway managed the clock and his offense to perfection late in the second quarter, masterfully driving the Broncos to two touchdowns in a span of 1:34 to put Denver up 24-14 at halftime. Both touchdown passes — one to full-back Howard Griffith, the other to Ed Mc Caffrey - resulted from pass interference penalties that totaled 56

Still, Stewart, who has mimicked Elway all season by leading five fourthquarter comebacks of his own, nearly did it again. He shook off three interceptions, all of them critical, to hit Charles Johnson on a 14-yard scoring pass with 2:46 to play.

The score, Pittsburgh's first since Jerome Bettis's 1-yard run with 12:42 left in the second quarter, seemed to electrify the Steelers and their bench, and they held Denver to three yards on

the their next two plays. But Elway found his tight end, Shannon Sharpe, over the middle for 18 yards and a first down with only 1:52 to play. Denver had its fifth AFC championship and its second won on the road. The Broncos also won in 1986 in Clev-

Elway was 18-of-31 for 210 yards tion, while Stewart was 18-of-36 for 201 yards and a TD.

Both of the big backs, Denver's Ter-rell Davis (26-139) and Pittsburgh's Jerome Bettis (23-105) went over 100 yards, but it was Elway who won it and Stewart who couldn't win it for Pittsburgh, which lost the AFC championship game at home for the second time in four years. The Steelers were upset by San Diego, 17-13, in the 1994

The Steelers had won eight straight at Three Rivers Stadium since an openinggame 37-7 loss to Dallas, and 22 of their

Stewart, trying to become the first quarterback to lead a team to the Super Bowl in his first full season at the position, didn't look unsettled by the big-

game atmosphere.
Stewart answered Davis's 8-yard TD
run with a 33-yard scoring run of his own, one strikingly similar to his 40yard game-winner against New England last week. He then led a 68-yard drive finished off by Bettis's 1-yard run, giving the Steelers a 14-7 lead.

But Stewart's biggest fault has been throwing into coverage, and this time it hurt him badly. He was intercepted three times and lost a fumble in a span of six possessions. Coupled with the interference calls, they were simply too much to overcome against the AFC's top-ranked

second place but remained in third behind Chelsea and Manchester missing because of injuries. United, the leader. Derby moved up to league victory. Arsenal beat Leeds, managed by Spurs gave a debut to Nicola Berti, sixth place. their new hire from Inter Milan, and George Graham, the ex-Arsenal manager, 2-1.

Sturridge put the home team ahead in the 15th minute when he lashed a

LONDON — Dean Sturridge

scored twice Sunday as Derby County

beat Blackburn Rovers, 3-1, at Pride

Blackburn could have regained

Park, Derby.

right-footed shot past Tim Flowers, the Blackburn goalkeeper. Sturridge scored again with another

right-foot shot four minutes before Chris Sutton pulled a goal back for

Blackburn with a fiercely-angled header in the 87th minute. One minute later, Paulo Wanchope, Derby's Costa Rican striker, stabbed

in the ball from close range.
On Saturday, Manchester United beat injury-hit Tottenham Hotspur 2-0. Both United goals were scored by

Sturridge Strikes Twice to Lift Derby

Ryan Giggs, although the first did not come until just before halftime, breaking some stubborn resistance from Spurs, who had 10 first-team players

although he had a promising start for the relegation-threatened side, the Spurs' attack and Juergen Klinsmann made little impression on United's defense.

Chelsea trailed Coventry, 1-0, for more than a half-hour of Saturday's league match before bouncing back to win 3-1.

Two goals from the substitute Mark Nicholls in the 65th and 70th minutes, and one from Roberto di Matteo in the

in a match transformed after the Chelsea player-coach Rund Guilit put himself into the game.

Liverpool, in fourth place, beat Wimbledon 2-0 with two second-half goals from Jamie Redknapp. It was Liverpool's fifth successive

All three goals were scored by Dutchmen. Marc Overmars struck for Arsenal after 60 minutes and 72 minutes and Jimmy Floyd Hasselbaink scored for Leeds in the 69th minute.

West Ham crushed last-place Barnsley, 6-0, at Upton Park. A young Frenchman, Samassi Abou, scored twice and assisted on all the other

On School Holiday, Hewitt Gets First Victory

Compiled by Our Staff From Dispatches

Lleyton Hewitt took a break during the school holidays and became the second-youngest title winner in ATP Tour history.

Hewitt, a 16-year-old Adelaide

Australian men's

schoolboy, won the Australian men's

hardcourt championships in his home TENNIS ROUNDUP

town Sunday when he beat Jason Stol-tenberg, 3-6, 6-3, 7-6, in 2 hours 9

minutes. Neither player was seeded. Hewitt, who turns 17 next month, was the youngest ATP tournament winner since Michael Chang of the United States broke through in October 1988 with victory in San Francisco at the age of 16 years 7 months. Hewitt also entered the record books as the lowestranked player — at No. 550 — to claim an ATP title since the rankings were

introduced in 1973. He received \$45,000 for the victory. Playing in only his second senior tournament, Hewitt beat the former world No. 1 Andre Agassi in the semifinals Saturday.

experienced Stoltenberg, a semifinalist Wimbledon in 1996. Operating almost exclusively from

the baseline, Hewitt concentrated on Stoltenberg's forehand, which often crumbled under pressure. "I do not think they knew really how

to play me and had not seen a lot of my matches," he said. The victory gave Hewitt an invitation to play in the Sydney International tournament this week, where he will have a tough first-round encounter with the

second-seeded Jonas Bjorkman. In his only previous appearance on the ATP tour, Hewitt lost to Sergi Bruguera of Spain in the first round of the Australian Open at Melbourne Park

to sweep aside an exhausted Fabrice Santoro of France, 6-0, 6-3, in the Qatar Open final in Doha on Sunday. The Czech left-hander rarely had to hit top form against Santoro, who

Petr Korda won the first 10 games

"I don't think I will be going back to school this year," said Hewitt, who refused to be intimidated by the more ski and Goran Ivanisevic and then the ski and Goran Ivanisevic and then the doubles final.

The first set in the baseline battle was won in 27 minutes, and Korda, seeded third, raced to a 4-0 lead in the second. Santoro, hampered by a knee injury, finally broke Korda's serve to put some respectability into the score.

Korda wrapped up his second Qatar title in three years to take the winner's check of \$137,000.

'That was a very hard match,' said Santoro. "I had to play three matches on Saturday and that was the toughest day of my life. When you feel like that it is impossible to play against a man like Korda in a final.

On Saturday played two of the game's big servers Greg Rusedski and Goran Ivanisevic. The tournament had been disrupted by wind and rain. After disposing of his quarterfinal and semifinal opponents, Santoro was then asked to play the doubles final which finished in early Sunday morning. Santoro and Olivier Delaitre lost to India's Leander played three matches Saturday because Paes and Mahesh Bhuapthi.

• In Perth, Australia, Karol Kucera and Karina Habsudova swept to a 6-3, 6-4 mixed doubles victory Saturday over France to take the Hopman Cup. Slovakia won the title when Kucera's

forehand hit a net chord and sailed over Cedric Pioline and Mary Pierce of France to the back of the court. Earlier, Kucera kept Slovakia in the

match when he beat Pioline, 7-6 (9-7), 6-4, after Pierce had beaten Habsudova, 6-4, 7-5, to put France up by 1-0. Pierce, playing her fifth match in three days, battled tightness in her

In Sydney, Venus Williams beat Ruxandra Dragomir on Sunday in the first round of the Sydney International when the Romanian defaulted because of a hamstring injury after losing the first set, 6-4,

Williams's 16-year-old sister, Serena, qualified for the tournament with a 6-2, 6-0 victory over Laura Golarsa of Italy. Serena Williams is playing her third professional tournament.

She will face another promising qualifier, Mirjana Lucic, a 15-year old from Croatia, in the first round (AP, Reuters)



Lleyton Hewitt enjoying victory.

